

'Exploding' industry meets in Chicago

By Mark Andrews

The state of the leisure electronics industry can be summed up in one word: Exploding.

It's an industry that just won't stand still long enough to be analyzed.

But more than 50,000 people will get a brief glimpse of the State of the Industry this month in Chicago at the 1981 International Summer Consumer Electronics Show, the world's largest trade fair devoted exclusively to electronic merchandise. CES, open only to the trade,



Dealer instructs consumer on VCR operation at The Movie Store, Framingham, Mass.

runs from May 31 to June 3 in Chicago's McCormick Place, McCormick Inn, and Pick Congress Hotel.

CES, as industry insiders well know, is held twice each year—in Chicago in June, and in Las Vegas in January. Video has been the star of both the summer and the winter show for several years now, and is certain to stay in the spotlight as this year's Chicago extravaganza gets under way.

Showgoers will be swimming in a
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Accessories boost video retail sales

by Kathleen Lander

Smaller in dollar volume but bigger in profit is the way dealers characterize the new and growing market for accessories to use with video hardware.

Covering a range from small items such as cables, connectors, and storage or carrying cases through bigger ticket items of image enhancers or bulk erasers, the accessories have a big market potential when you look at the EIA's hardware sales projections for this year—350,000 disc players, 1.2 million VCRs, and 180,000 portable cameras.

Add the possibility of storage
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Own-your-own phone market in transition

The own-your-own telephone business already is either booming or on the verge of a boom, depending upon which retailer is talking, as consumers are learning that it's legal to buy and install their own equipment and save money at the same time.

With unit sales estimated at 2.5 to 3 million this year, up about 1 million from last year, the independent telephone business is preparing for sustained growth throughout the decade. Currently the market is in a transitional stage from universal consumer rental of instruments from AT&T and other telephone companies to customer ownership.

Retailers feel they will be competing with the telephone companies, which now supply 90 per cent of telephones in use, on a more even basis now that the customer knows the cost of renting an instrument and can easily figure the payback time on a purchase.

Cordless telephones, even at prices of \$100 to as much as \$650, considerably more than other styles, are sales leaders this year. Unit sales may reach 800,000, up from 150,000 two years ago, estimates Extend-A-Phone, one of the larger manufacturers. Operating by radio to a base station which sends the signal into the telephone line, the new cordless styles permit talking and listening, without pushing buttons, from distances of
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Learning aids take off with electronics

By Bob Citelli

Learning aids, once considered insignificant in most toy outlets, have taken off with the help of electronics.

In the days of flash cards and map puzzles, learning aids were of little consequence to toy buyers who, like the children who used them, looked upon them as mere extensions of school. However, they say, micro-processor technology has added the one element that was missing: fun—and the category is currently experiencing phenomenal growth.

According to NPD, Floral Park, New York, electronic learning aids rose to \$174 million at retail in 1980,
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Computer sales are up; say prices not a factor

Merchants report significant gains in personal computer sales during the first half of 1981 compared with the same period last year, but add that some manufacturers' lower prices have not played an important role in their advance.

Beginning with Texas Instruments' announcement late last year that prices on the 99/4 were slashed, a number of other personal computer manufacturers (notably Atari and APF) announced similar reductions, while Commodore unleashed its VIC 20, slated to retail for under \$300. It was felt at that time that the lower prices would spark new interest and generate more sales. And indeed sales are up. Industry prognosticators foresee 100,000 personal computers shipped this year for the home/

hobbyist market, with expectations that 211,000 units will be shipped in 1984. Yet most of the sales activity has come in the middle and higher end of the personal computer spectrum.

Mid-priced machines (Cromenco, Altos, Apple, North Star and others) are finding their way into business applications with relative ease. And these same machines are holding their own against higher-priced systems like Wang, Data General, Digital Equipment and Hewlett Packard, which seek to come down from their hold on the minicomputer/desktop market to take advantage of this obvious trend.

And, though some low-end systems have come down in price to a point where they could conceivably
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Saleswoman demonstrates Showtime Video Ventures' Image Enhancer at Harry's Video Mart, Upland, Calif.

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Sony customers don't buy different products. They buy different Sonys.

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The buck stops at the bottom line



As the industry converges in Chicago, its participants will be bombarded with facts and figures regarding the leisure electronics marketplace. "Video will reach 5 percent saturation," some say. "Audio penetration will reach new heights in the American marketplace!" others contend. "Computers are up, portable stereo cassettes are booming and just think what the market will be like in 10 years!" still others exclaim. Yet we all know the one number that's truly worth remembering can be found on the bottom line. "Who has the responsibility for that bottom line?" you might ask. In my opinion we all do.

Manufacturers have the responsibility to research and develop new technologies and resultant products. They must disseminate information to the consumer through the media. They must serve the retailers, too, by providing point-of-purchase materials and sales training for retail staffs. And it wouldn't hurt if manufacturers toned down the talk of soon-to-be-released products making "dinosaurs" of what's currently selling. Consumers have adopted a wait and see attitude having heard manufacturers talk of the bells and whistles of the future. "Why should I buy it now when two years down the road it will be cheaper and better?" they ask. Manufacturers must provide current, quality merchandise at respectable price points if they and the retail community are both to profit.

Retailers have responsibilities too. If the bottom line is to get bigger, then they must provide adequate information to the consumer who approaches their sales counter. This is done by educating the retail clerks who work in their stores. An unprepared salesman will surely lose the sale. Additionally, retailers must service their customers with on-going programs. They can assist in returning or repairing defective merchandise. They can provide the correct merchandise mix of hardware, software and accessories to gain the confidence of the repeat customer. They can stimulate the market by participating in co-operative advertising programs and offering legitimate consumer savings on legitimate products.

Retailers must also work to prevent scandals. They have to sell legitimate branded merchandise to prevent the negative publicity that can and has given this industry a black eye. The retail community must be conscientious and shy away from pirated records and tapes, counterfeit speakers and substituting inferior merchandise for quality goods. Selling to the consumer under false pretense only destroys the retailer's reputation while leaving a bad taste in the mouth of the consumer who will question whether all retailers are alike.

Finally, we have a responsibility. That is to present you with the information necessary to run your business today. Our position is not to judge you as others in this industry have. Our job is to make your job easier. To do that we will continue to detail viable merchandising techniques as reported by leading retailers and manufacturers so that today's bottom line grows and tomorrow's starry-eyed predictions are reached. As always, we welcome your comments and suggestions.

—Stephen Bentkover

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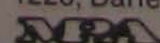
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Motorola, Signetics pool efforts

SAN FRANCISCO—The Semiconductor Group of Motorola Inc. and Signetics Corp., a wholly owned subsidiary of U.S. Philips Corp., have agreed to pool their efforts in developing 16-bit microprocessors over the next five years.

According to a joint announcement from Motorola and Philips, two of the world's major electronics manufacturers, the goal of the five-year plan is to develop "an enriched family of integrated circuits, software products and allied development tools conceived in an architecturally consistent environment."

Under the agreement, the announcement says, "Signetics/Philips will alternate-source Motorola's M68000 microprocessor family in a technology exchange aimed at creating industry's strongest 16-bit product line. An accelerated rate of M68000 design-ins by original equipment manufacturers is expected as an early result."

The program is also expected to motivate both companies to exchange independently developed products. Both Motorola and Signetics/Philips plan to produce M68000-based software including operating systems, language processors and application packages, and development system tools. By 1983, the announcement says, the two companies anticipate adding at least 12 new M68000 designs to the family portfolio.

Disney adds stocking distributors

BURBANK, Calif.—Walt Disney Video adds stocking distributors to its current organization of commissioned sales representatives in an effort to improve its national distribution.

According to company vice president Ben Tenn, "The distributors will give us, and our dealers, another option in marketing our new videocassette sales and rental programs." Tenn contends the jobbers will add the flexibility of one-stop selling and local warehousing as well as "bring to Disney a great deal of video experience."

Among the distributors joining the Disney organization are Star Video, New York; Video Trend, Michigan; A-1 Video,



Disney's new distributors pose with a famous mouse.

Florida, and ZBS, Ohio. Additional video and record distributors include Altec Distributors, New England, and Sounds/Video Unlimited,

Chicago, Denver and Los Angeles. Photo distributors include Brandees Brothers, Chicago, and Satter Distributors, Denver.

Sharp taps VHD disc

PARAMUS, N.J.—Sharp Electronics has announced its intention to market the Video High Density (VHD) videodisc in the U.S. in the first quarter of 1982.

According to Robert Whitehouse, general manager-TV/VTR, full product specifications and marketing plans, including price, will be announced later this year. Whitehouse reports the firm will concentrate on the marketing of players only, which will be designed and produced by Sharp at its plant in Tochigi, Japan.

Whitehouse says the VHD disc's stereo capability played an important role in the decision-making process. He asserts Sharp delayed announcing its plans until the company was certain a software

library comparable in size and quality to those of the other two formats would exist.

The general manager states his company "has no intention of being a manufacturer of software at present." He believes "the hardware factors seem to be overwhelmingly in favor of VHD for our company, but the software factors were an unknown until recently." He notes the company is now convinced a software library for the system will be in place by year's end. Whitehouse added: "We are impressed with the fact that the VHD camp (VHD Programs and VHD Manufacturing) will accommodate all programmers from independents to movie studios by subsidizing custom pressing for private label distribution."

EIA directory now available

WASHINGTON—The Electronics Industries Association has published the 1981 edition of its *Trade Directory and Membership List*.

This annual publication is an authoritative listing of Association member companies and affiliates, showing corporate division locations, phone numbers, top-level management personnel, products manufactured, trade names, EIA's Board of Governors, and the Association's committee organizations, as well as officers of EIA's divisions, departments, councils and panels.

The EIA Trade Directory is available at \$20 per copy for members or \$40 for non-members. The Directory may be purchased by writing EIA, 2001 Eye Street N.W., Washington, D.C. 20006—Public Relations Department, Attention: Trade Directory. Prepayment will save a \$2.50 handling charge.

Set dates of ITA seminar

NEW YORK—The Home Video Programming—1981 seminar, sponsored by the International Tape/Disc Association, will be held November 17-19 at the Essex House Hotel here.

Although the seminar has been held in October in the past, the change of dates was necessitated by ITA's first European seminar, which will be staged in Cannes, France, October 10-12, in conjunction with the VIDCOM '81 exhibition. Further details can be obtained through the association.

ERA REPCON '81 open to trade

NEW YORK—The New York Chapter of the Electronic Representatives Association (ERA) announces REPCON '81 will be held September 23 and 24 at Terrace On The Park in Flushing Meadow, N.Y. The show will be open from 4 to 11 p.m. daily. Open to members of the trade only, the show features electronic products, equipment, parts, components and accessories for dealers and distributors.



DISTRIBUTORS SHOW: Video Distributors of New England and Altec Distributors recently presented the "The First New England Video Show." Close to four dozen exhibitors attended, demonstrating video accessories, software, game cartridges and satellite receivers. Several hundred dealers flocked to the show, which was staged during the first weekend in April at the fashionable Sheraton Tara in Framingham, Mass. Above, dealers crowd into Showtime Video Ventures' booth to catch a glimpse of that firm's accessories line.

31.2% of households own hi-fi: EIA study

WASHINGTON—A total of 31.2 percent of the nation's households own component stereo systems, according to a new one-year, \$100,000 study conducted by a major consumer research organization for the Consumer Electronics Group of the Electronic Industries Association.

The study, carried out by Market Facts Inc. of Chicago, also shows that 40.7 percent of households surveyed own compact stereo systems, while 28.8 percent own stereo consoles.

The survey, titled *Purchase and Ownership Patterns of Home and Car Audio Equipment*, is the first such study ever commissioned by the EIA. Jack Wayman, senior vice president of EIA/CEG, says that it provides the audio industry for the first time with "really definitive information that will be useful to our industry market and product planning processes."

EIA has divided the survey into two parts. Phase I is based on a scientific sampling of 25,000 households that received survey forms by mail and were asked to complete them and send them back in. The response rate was an impressive 68.8 percent, according to EIA.

Phase II of the study is being conducted by telephone, the Association says. Results of that poll are expected to be released at the Summer Consumer Electronics Show in Chicago.

The Phase I report is divided into three sections: home audio, portable and personal audio, and car audio. The home and personal audio section includes statistical tables

showing the basic ownership patterns of audio consoles, compacts and component systems; ownership of the three types of systems broken down by the ages and sex of purchasers; estimated owner age at time of purchase; age of equipment owned; ownership of personal and portable systems related to family income, city size, age of purchaser, and family income; and ownership of personal and portable audio equipment related to size of population.

Phase II, says EIA, will deal with

more subjective market data such as pre-purchase attitudes, product knowledge, and elements of the purchase decision.

The home audio section of the Phase I report shows that 10 to 14 percent of the owners of console, compact and component stereo systems also own a second category of equipment. The median age of home audio owners at time of purchase is 42 for console owners, 31 for compact system owners, and 30 for component system owners.

Forty-seven percent of the pur-

chasers of console stereo systems are male, the report shows. It also reveals that males buy 53.2 percent of compacts purchased, and 74.1 to 89.6 percent of the various kinds of separate components included in the survey.

Copies of Phase I of the study are priced at \$35 each to cover printing and handling and are available from EIA. Both Phase I and Phase II will be regularly updated so that trends in purchases and ownership of audio equipment can be followed, promises EIA.

Says pocket stereo will exceed \$200m

HOUSTON, Tex.—Retail sales of ultraminiature personal cassette machines and pocket-size FM radios with lightweight headphones will reach 2 million units in the United States and will climb to 5 million units worldwide this year, predicts Andy Andros, chairman and chief operating officer of Technidyne Corp.

Approximately 800,000 personal hi-fi units were sold worldwide last year, says Andros, with about one third of the sales made in this country. He cites New York and California as the largest U.S. markets, but says that the Rocky Mountain area leads in per capita sales.

Technidyne, which manufactures Hip Pocket Stereo personal hi-fi units and accessories, says that it is the second largest supplier of such products in both the domestic and foreign markets.

Andros forecasts that total retail sales of personal stereo products should exceed \$200 million during 1981, making them one of the fastest-growing product categories in the consumer electronics industry.

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Editor's Notebook

Small New England Show generates positive results

Recently, Stephen Bentkover and I traveled to Framingham, Mass., to attend what was billed as "the First New England Video Show" presented by Video Distributors of New England and Altec Distributors.



Both Stephen and I have attended similar events in the past while researching the electronic game segment of the industry. And though we knew in advance the show would have limited attendance, we felt compelled to attend this industry "first" just as if it were a major manufacturer launching a new venture. Apparently a number of our colleagues in the trade press felt the same way because the show was overrun with reporters. Many in the crowd marveled over this "new concept" in trade shows, not realizing that other industries' distributors hold similar shows on a regular basis. All were in agreement that such an event for the video market was overdue.

For the unannointed, the idea put briefly is this: a major distributor calls together his customers over a short period of time to simultaneously present the various lines he offers. Manufacturers' reps, and in some instances, the manufacturers themselves, are present to instruct and inform. Usually, show specials are offered and smart retailers can pick up additional savings by attending.

When this particular show was over, Stephen and I had the long trip home from Massachusetts to reflect on what had occurred. The most obvious realization was the stark contrast this show had in comparison to an event like the Summer Consumer Electronics Show. There weren't hundreds of displays, there were dozens. Full-blown manufacturers' displays were still in their crates back at the firms' warehouses waiting to be shipped to Chicago. In their stead, manufacturers' booths were limited to covered tables measuring several feet at most. There weren't any press parties to wine and dine the media; no oysters rockefeller, no shrimp scampi, no cocktails or hors d'oeuvres. And there weren't any basketball-playing parrots or

spandex-clad models to lure buyers into booths, either. But that wasn't necessary because there was a real need up in New England that weekend and the show's sponsors successfully filled it.

Unlike most major metropolitan areas, New England's video outlets are few and far between (as are the people who live there). It seems that the amount of information that filters through from manufacturers is also minimal as the larger manufacturers prefer to concentrate their efforts on top-ranking markets. A distributor show like the one in Framingham serves to overcome that.

One case in point demonstrates this in my mind. While conversing with the sales rep for Fuji, a middle-aged woman who recently opened a video store passed by the table. She stood silent for a moment, gazing at a foot-long-reproduction of a Fuji L-750 videocassette box obviously intended to be a point-of-purchase item for retailers' shelves. A look of bewilderment took hold of her face as she finally built up enough courage to approach the regional sales manager who happened to be present. "Tell me," she said, taking hold of the box, "How does this format differ from Beta or VHS?" The gentleman from Fuji politely explained the item was only a reproduction for point-of-purchase and continued talking to her, explaining the benefits of his product line.

This woman is not the exception. She may very well be the norm in the video retailing community. At worst she is representative of a number of retailers who get into the business because they bought a VCR and think video is great. Manufacturers will continue to eat and sleep with their major accounts leaving the little guy to slug it out on his own in the trenches. But manufacturers' major accounts include distributors as well, and it is up to the distributors to provide that vital link between manufacturer and retailer. They must relay the know-how and understanding they have accumulated to the retailer or the process that should exist will break down. Altec and Video Distributors of New England have latched onto an idea whose time has come. Other distributors should take note of this development and consider the benefits that are to be derived.

—Bob Citelli

Fuji readies metal tape

NEW YORK—Fuji has developed two new metal videotape formulations which it says are not yet market-ready but "represent the next generation of ultra-high-density recording tape."

John Dale, vice president of the company's Magnetic Tape Division, claims that the new experimental products "are the first advance tapes of the 1980s to achieve high-density recording wavelengths below the one-micron range."

The two new formulations are called metal videotape (MV) and vacuum videotape (VV). When an MV tape is used on a half-speed VHS recorder with special sendust heads, says Dale, "the net result is a +13dB increase in video output ratio over previous Beridox VHS and Beta tapes. At a recording wavelength of 0.6 microns, improvements in video output and S/N ratio are +17dB and +14dB respectively."

The new VV formulation, according to Dale, is manufactured using a proprietary vacuum evaporation process. VV tape has a cobalt compound magnetic layer only 1,500 to 2,000 microns thick, he says, yet "can withstand all of the stresses imposed by sophisticated VCRs, including still-frame playback. In contrast to the MV tape," Dale adds, "the VV tape permits

recording with a conventional ferrite head-equipped VCR. It also has a higher sensitivity for recording wavelengths under eight microns. At a one-micron recording wavelength, it offers a +9dB increase in sensitivity, while at 0.6 microns there is a +11dB improvement" over the performance of MV.

Dale says that Fuji has perfected the MV formulation and has supplied samples to the leading VCR manufacturers, who have begun to develop systems that will be compatible with it.

Samples of the VV tape have not yet been released to manufacturers, he says, but the company plans to work with VCR manufacturers on developing hardware that will work with it.

"The announcement of these two new metal videotape formats by Fuji demonstrates our technological strength and our commitment to the video recording medium," Dale declares. "While we cannot know for certain which format will become the accepted standard, we intend to take the lead among tape specialists in developing compatible hardware. I've often stated that as audio and video recording becomes more demanding on the software, Fuji will come to the forefront. We are now working actively to hasten this evolutionary process."

Unrestricted rental program dramatizes dealer support

HOLLYWOOD—Video Gems announces an unrestricted rental program designed to dramatize its support for this dealer activity.

According to Video Gems president Joe Infante, "Dealers should use every legitimate merchandising technique conceivable to compete individually for new business and to help build our industry."

Established in 1979, the firm is one of the largest independent manufacturers of prerecorded videocassettes in the U.S. Video Gems' line includes four collections

of full-length feature titles: Martial Arts Mayhem, Superior R, Children's Classics and Stellar Performances. The current catalog lists over 22 titles with a new title release program said to contain 15 new movies to be released by the end of July.

Rental promotional aids furnished to dealers include authorization banners, posters, other point-of-purchase materials, consumer catalogs, dealer catalogs and an enlarged co-op newspaper and TV ad campaign.

Sony markets Mag Video titles in Beta format

Sony Corp. of America is now distributing a wide selection of Magnetic Video Corp.'s prerecorded videotapes in the Beta format.

Jack Dreyer, vice president and general manager of Magnetic Video's Consumer Products Division, made the announcement and Sony confirmed it. Sony says it is distributing the Beta cassettes to television and appliance dealers across the nation.

Magnetic Video recently reduced prices on top-selling Beta tapes. In announcing the Sony distribution plan, Dreyer declares: "The strength of Sony's marketing organization selling Magnetic Video prerecorded videocassettes in the field will greatly enhance our distribution coverage. The Sony retail network will widely broaden consumer awareness of our product."

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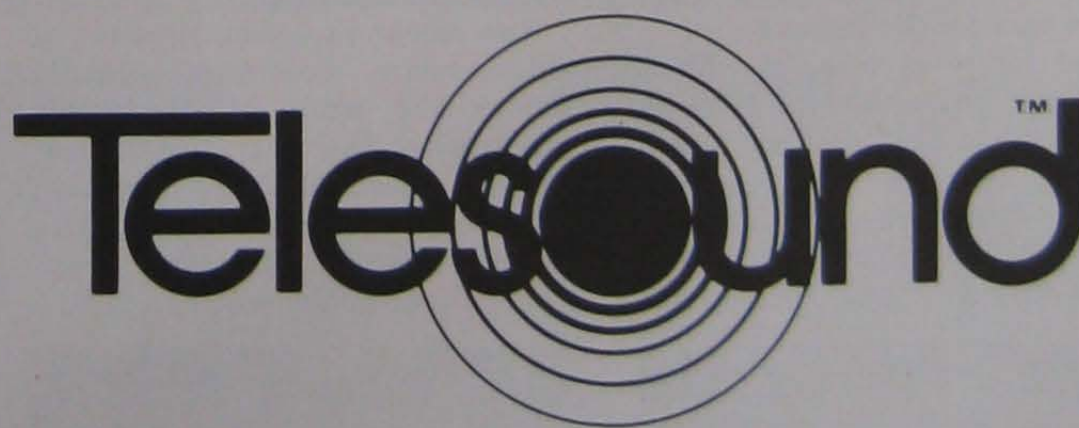
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'Exploding' industry meets in Chicago

Cover Story

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flood of shiny new videocassette recorders, video cameras, video accessories, video software, and videogames—to say nothing of the videodisc player, which is now being advertised to the tune of millions of dollars a year and may well be one of the hottest home video products of the 1980s.

The audio dealers descending on Chicago will find even more emphasis this year on one-brand prepackaged systems, minicomponents, portables, and pocket-sized, headphone-equipped "personal" cassette players, cassette recorders and FM/AM radios.

In separate audio components, there will continue to be less emphasis on exotic specifications and more stress on bells and whistles, convenience features, and futuristic cosmetics such as LED readouts, fluorescent gas displays and computerlike controls.

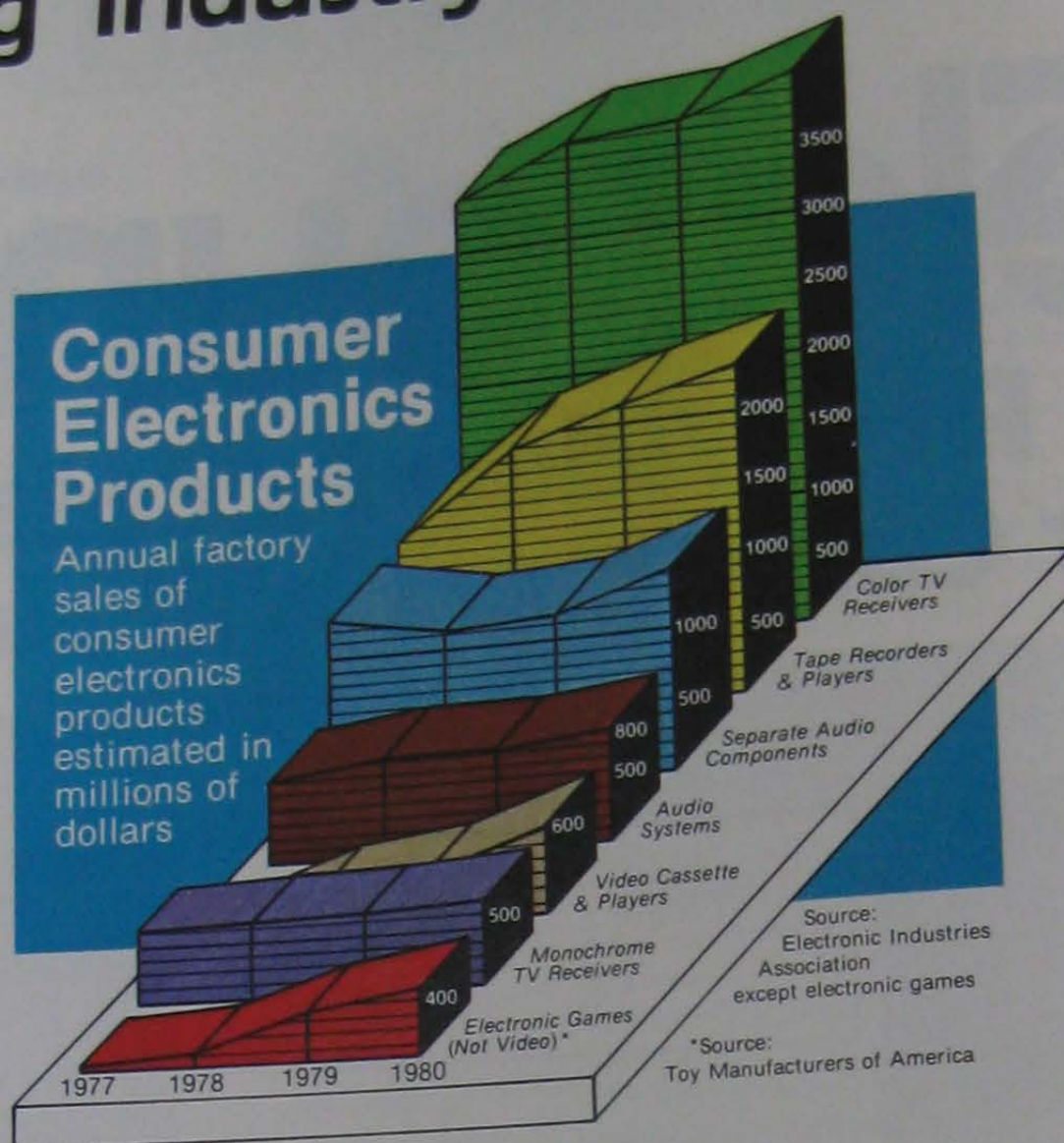
Manufacturers of personal electronics, home computers and electronic games will be in Chicago with what promises to be a record number of new products that talk, play music, print out information, and interact with the user in an ever-growing number of different ways.

Sales Climb

In seminars and conferences during the show, attendees will hear how factory sales of major consumer electronics products climbed to more than \$10 billion last year for the first time in history—to a total of \$10.77 billion, compared with \$9.27 billion in 1979. According to the EIA, which compiled these figures, retail sales of consumer electronics products totaled \$16 billion last year.

And Jack Wayman, senior vice president of the Association's Consumer Electronics Group (CEG), predicts that this will be another banner year for the industry.

"The future is now," declares Wayman, "but within the blink of an eye there will be a 'future future.' There are at least 20 product categories in consumer electronics that have less than 5 percent saturation, and these offer



unprecedented opportunities for sales right now."

Ludwig A. Huck of General Electric, board chairman of the EIA/CEG, concurs: "This is one of the most exciting decades in the industry's history. Its technological advances and the resultant new product categories have had, and will continue to have, a major impact on our lives both economically and socially."

Video, Wayman and Huck agree, is one of the fastest-growing product categories in the industry. Wayman, echoing a view often expressed by the industry's top analysts, says we are in the midst of a "video revolution, a new era in which there are many new uses for the TV screen—new sources of programming, and more control by the viewer over which programs he will watch, and when."

The recent explosion in sales of videocassette recorders demonstrates the truth of Wayman's observation. Last year, EIA figures show, a record 805,000 VCRs were sold. Wayman predicts that sales will hit 1.2 million this year, and will more than double—to around 2

million—in 1982.

Manufacturer sales of blank videotapes, Wayman continues, totaled 18 million last year, will almost double to 25 million this year, and will increase to 35 million in 1982. Sales of prerecorded videocassettes will reach about 5.5 million units this year and 10 million next year, he believes.

And although only about 40,000 videodisc players were sold in 1980,

Manufacturers' sales of audio components, to the surprise of many observers, also set a record in the EIA—hitting a total of \$1.7 billion, up from \$1.2 billion for the preceding year.

Wayman is making no prediction about how hi-fi components will sell this year. But he sees good growth ahead in most of the industry's other product categories, including personal electronics, personal computers, and electronic games.

Manufacturers of the many kinds of products shown at CES agree with Wayman that we've seen only the beginning of the growth of the consumer electronics industry. Observes Alfred Markim, president of Video Corp. of America:

"Video is obviously a very rapidly growing segment of the industry. Last year was a boom year in sales of VCRs, and they're now selling at a 70 percent faster rate than last year. It looks like there may be one and a quarter million new owners this year, up to a total of 3.2 million homes with VCRs by the end of 1981."

It has been a pattern in the industry, says Video Corp.'s Markim, that about two prerecorded videocassettes are sold for every home VCR purchased. If that trend continues, he says, about 6.4 million prerecorded tapes will be sold in 1981, compared with about 4 million sold last year.

"That means," Markim concludes, "that we have a very solidly growing video industry. The hardware manufacturers are having a strong year, the people involved in

**"This is one of the most exciting decades in the industry's history."
—Ludwig Huck, General Electric**

Wayman forecasts sales of 350,000 disc machines this year and 500,000 in 1981.

According to the EIA, color television was the industry leader in factory sales last year, with a record-breaking \$4 billion worth of color sets manufactured and sold. The previous record year was 1978, when manufacturer sales of color TV totaled \$3.7 billion.

'Nearly Saturated'

Wayman, translating dollar figures into unit sales, says that about 10.2 million color sets were sold by manufacturers last year. But he believes that the market for TV receivers is now "nearly saturated," and that sales of color sets will decline to around 10 million this year before edging upward again to about 10.1 million in 1982.

Factory sales of monochrome sets totaled almost 6.3 million units in 1980, adds Wayman, but will probably drop to around 6 million this year and remain at about the same level next year.

producing prerecorded software are having a strong year, the people who make blank tapes are having a strong year. I think you can look for that to continue—strong right through to the end of the year."

'Tremendous Growth'

Adds Charles Tolep, vice president and general manager in charge of licensing at Viacom:

"With the high cost of energy and the rising inflationary situation that we are living in, the 1980s will generate a greater need for home entertainment. There will be a great need for various types of home entertainment products—electronic games like Atari or [Mattel's] Intellivision, prerecorded cassettes and discs, small computers for the average consumer to use in the home. I see a tremendous growth in the acquisition of VCRs and disc machines."

"Consumers," Tolep continues, "will be looking for many different types of programming. They will be

Continued on Page 12



Leisure electronic products on display at Friendly Frost, Garden State Plaza, N.J. (above) and Grand Central Cameras, N.Y.



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Exploding industry converged in Windy City

Continued from Page 10

less attracted to feature titles in 1982, and will be attracted to other kinds of programs, especially learning programs—programs that will allow them actually to learn at their own pace, in the privacy of their own homes, just by pushing buttons. They can learn the subject that they choose to learn about, practice it at their own convenience, and enjoy the luxury of learning how to do something without the embarrassment of exposing the fact that they're just learning. Interactive programming will start to develop in mid-1982 and will grow as fast as the consumer becomes aware of these programs."

Greatest Potential

Harry Elias, president of the Home Entertainment Division of JVC, is yet another executive who believes that video is "the explosion in the industry." And the video product with the greatest growth potential over the next five years, Elias feels, is the videocassette recorder.

The audio market, Elias predicts, "will continue to grow, but very moderately. The extremely rapid growth that we saw in the early and mid-70s is something we're not going to see anymore. But we now have the blue-collar worker who's first getting into audio, and that famous female who's getting interested in audio now. Those two markets are virtually untapped markets—but their buying habits are different from those of the audiophile, who just jumped into it. Dealers are going to have to learn how to merchandise and how to advertise to this new type of consumer."

man and chief executive at Atari. "Household bills and report cards are computerized. Many business documents originate with a computer. But most important, as a result of mandatory computer courses in many states, we are educating a whole new generation of computerists—young people who know first-hand what the computer can do for them."

last year and should do even better over the next year and a half, according to the EIA. Dealers bought 1.7 million videogames last year, the Association reports, and are expected to order 2.5 million this year and 3.5 million in 1982.

The outlook for nonvideo games, the EIA believes, is not so bright for the rest of this year but could start looking up again in 1982. Wayman

consumers with better products from strong, innovative companies."

In other categories, the EIA estimates last year's sales of telephone products at 1.5 million units and sees good growth over the long haul for phones, calculators, and electronic watches.

John McDonald, president of Casio—which manufactures calculators, watches, electronic musical instruments and a wide variety of other kinds of products—says his company's business is also "good—running ahead of last year." Casio's electronic keyboard instrument lines "have truly been a sensation," he added, "an absolute sellout" ever since delivery began.

Talking Products

McDonald sees his company's segment of the industry improving and growing as consumer electronic products continue to grow less expensive and more sophisticated: "More consumer products will be electronic or touched by electronics during this decade. There will be talking clocks, talking watches, inexpensive scientific calculators with alphanumeric printouts that print the formulas, even talking calculators. There'll be more watches with calculators, music, and calendars, and there'll be calculators with many kinds of built-in games—throwaway marketing features that will give the product a new twist and won't cost any more to manufacture."

Akio Morita, chairman and chief executive officer of Sony Corp., agrees with McDonald's assessment of the industry and sees "a world of unlimited possibilities" in the electronics business.

'Unlimited Innovation'

"In this world," declares Morita, "we foresee many problems and difficulties in political and economic fields, in energy sources and supplies, in prices, and the like. However, I deeply feel that we are fortunate because we are in the electronics industry, where unlimited innovation is expected. We are convinced that technological innovation, created by human ingenuity and wisdom, is the means to overcome such problems and to continue our growth."

Morita says he is pleased with the current state of the industry and adds: "I'm even more confident about the long term. In the 1980s, an integrated systems approach to home electronics, telecommunications and information processing will emerge. These systems will include the videotape recorder, the disc, cable TV, digital audio, intelligent terminals and home computers—even satellite transmission. We are strongly positioned to do well in this great new era for our industry."

"Yes," agrees Jack Wayman, "this is the 'future future' that awaits us, a time of enormous product development and change."



Consumer studies electronics in Sound City's window, New York.

"We are all becoming more and more computer-exposed."

—Raymond Kassir, Atari

Elias also advises: "The audio dealer should diversify. He should get into minis, within reason, and he must get into video—the videocassette recorder, and the videodisc, which is down the road. He's going to have to do that if he's going to survive."

"Eventually," Elias predicts, "the total home entertainment center will definitely be the future of both audio and video. Initially it may be quite expensive, but the prices will come down as more and more people get into that market."

Manufacturers of personal computers and videogames feel that their products will also be an important part of the home audio-video system of the future, perhaps expanding it into a "HIS" (Home Information System) as well as a "HERS" (Home Entertainment and Recreation System).

"All of us are becoming more and more computer-exposed," comments Raymond E. Kassir, chair-

"Home television," adds Kassir, "is no longer a passive on-or-off proposition. Millions of people now use their television screens to play video computer games. Tomorrow, home computers linked with interactive cable TV will create a home console offering an unprecedented range of information, communication, education, computation."

"People will compare their scores in computer games and self-improvement programs, much as people compare golf scores today. People will ask, 'What kind of computer do you have?' People will collect software libraries which will be roughly equivalent to bookstore, newsstand, reference library, department store, grammar school and university combined. I do believe ours will be the most important consumer products industry of the century."

Videogames, a first cousin to the home computer, were big sellers

says that \$400 million worth of handhelds were sold by manufacturers in 1980, but predicts the figure will decline somewhat for this year. Then, says Wayman, sales will start increasing again, and will continue to climb during the years to come.

Nick Underhill of Entex, one leading game manufacturer, says he believes that electronic games "stumbled over their own popularity in 1980" but will regain stability this year with some interesting state-of-the-art innovations.

The problem that handhelds encountered last year, Underhill feels, is that the popularity of the product led many manufacturers to overproduce for a new market that, while substantial, was close to its peak.

"The market became flooded with many products using outdated technology—and, combined with the economy, that created a glut that even stifled the sales of the most advanced products," he says.

"The benefit from all this," Underhill points out, "is that it has created problems for those who haven't kept up with technical developments—and this will lead to a fallout of lesser producers, leaving

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Circle No. 10 on product card

Mini hi-fi components gain market share

By Mark Andrews

Mini-components haven't conquered the world of audio, as some people once predicted they would, but they have gained a respectable mini-share of the hi-fi market, and their popularity now appears to be steadily growing.

Consequently, there'll be more minis than ever at the Summer Consumer Electronics Show in Chicago this month, from many different manufacturers and with many new mini-features and many new mini-designs.

By the time the Show is over, almost every full-line audio manufacturer will be offering at least one full collection of mini-components. And most of the companies that started the mini trend will be marketing new lines.

U.S. Pioneer, which has never shown much interest in minis up to now, will have a couple of unusual new miniature systems on display. KLH, the speaker company that expanded into electronics in January, will be showing minis, too. There'll be portable mini-systems that can be operated indoors, outdoors, in a car, or on the sea; systems with turntables that slide out, stand up, and play both sides of a record; systems with carrying cases and mini-racks; even systems with programmable timers, tape-to-tape dubbing facilities, and remote control.

Take New Look

So many minis will be on display in Chicago that dealers who haven't been selling or promoting pint-size componentry very heavily may have to take a new look at the category. And they may find it well worth their while to do so.

Many retailers, in fact, say minis have been selling quite well all along.

Wilfred Schwartz, president of the giant Federated Group on the West Coast, comments: "I think it's a coming category, in view of rising housing costs which are putting people into smaller apartments, and with more and more of a decorator trend going on today." Schwartz says he also feels that the popularity of minis will continue to increase because there is a new and growing category of customers today, a category that is "less into wow and flutter and more into aesthetics."

Louis Athanas at Tweeter Etc. in Boston says that sales of minis in his store "haven't been ultra-brisk, but have been pretty good. They require a special kind of application, and I think that's primarily what they're used for. We've sold them to

people who want a system for the study, a system for the office. There are people who like to have music while they're working—while they're writing, like you're doing."

When customers see and hear a mini-system for the first time, says Athanas, their reactions vary widely: "Some people see it and say, 'Wow, that's a 20-watt system? That's neat!' Others see it and they say, 'All that money for that little thing?'"



Sharp's VZ-3000—Circle No. 292 on product card

Rick Pines, national sales training manager at Aiwa, says that dealers were as skeptical when minis were first introduced as many customers are.

"When we first came out with minis," Pines recalls, "it was hard to convince dealers that they would sell because size was a barrier and price points appeared to be a barrier. Companies and salesmen were jumping into a new era, asking customers to buy something a quarter of the size of conventional units. The concept that 'small is as good as big' was something we had to get out there and convince the customer and the dealer of."

Prime Market

Pines feels that the prime market for mini-systems is not the first-time buyer, or the second-time buyer, but the second-system buyer. "Minis as a whole," he explains, "are not something a person is going to buy on a first-shot deal. Essentially, the second-system customer is the one who's going to be interested—someone who would like to have a music system in his office, who would like another system in his home, and who would like to have something compact, rather than a horrendous-size unit that takes up a lot of space."

Pines says it was Mitsubishi that introduced mini-components to the U.S. market. But it was Aiwa, he adds, that introduced the world's first complete mini-system with a \$500 price point—an amplifier, a preamp and a tuner, and a cassette

deck available as an option.

From the beginning, says Pines, his company took "a very positive attitude toward making mini-components a recognizable factor" on the market, conducting "aggressive advertising and aggressive sales training, both on the floor and with our sales representatives." Using this approach, he says, Aiwa sold more than 5,000 complete mini-systems during the first year they were on the

companies to introduce mini-components in this country. The first audio components in the United States was Randix, declares the company's president, Ronald Richardson.

Bookshelf System

Richardson claims that Randix produced the first micro bookshelf audio system and also designed the world's first space-saving vertical, stereo Dolby cassette deck. The company created further innovations, he says, with a space-saving vertical stereo receiver with digital frequency tuning and a built-in six-band equalizer.

Randix' newest mini-system is the LX82, which Richardson calls "the smallest, most competitively priced micro-component system on the market today." It includes a 15-watt-per-channel integrated amplifier, an AM/FM stereo tuner, and a six-slide equalizer. Suggested retail price of the system, which stacks neatly into a custom-designed wooden mini-cabinet, is \$299.95.

Technics, another of the original groundbreakers in the mini field, will be in Chicago with three new Micro Series components: a 30-watt-per-channel DC integrated amplifier, a digital quartz synthesizer stereo FM/AM tuner, and a miniature

market. "As of today," he continues, "we have five different types of mini-systems, and by June we'll have eight. At this point in time, we dominate the mini-component industry."

One of the new mini-systems to be unveiled by Aiwa at CES will

Minis are not something a person will buy on a first-shot deal."

—Rick Pines, Aiwa

be the M-101 Traveler, a set of ultraminiature components that fit into an optional carrying case and will operate either on house current or from an optional rechargeable battery pack or car current adaptor. The system includes an 11-watt-per-channel amplifier; an ultra-compact, metal-compatible, auto-stop cassette deck; a tuner with a noise-blanking system for suppressing interference from a car's ignition system; and a pair of compact high-efficiency speakers.

Suggested retail price of the full system—including battery pack, car adaptor and carrying case—is \$915.

All of Aiwa's other mini-systems—including lines with timers, remote control, and turntables that slide out in a drawer—will also be at the summer Show.

Randix, a mid-fi manufacturer in Cleveland, disputes Pines' claim that Mitsubishi and Aiwa were the first

stereo cassette deck that automatically adjusts for recording normal, chrome or metal tapes.

The new amplifier, the SU-C04, features Technics' new Class A power amp circuitry, designed for "Class A sound with Class B efficiency." This unit, with a THD rating of 0.08 percent, also has Linear Feedback circuitry for distortion-free sound.

Technics new micro tuner, the ST-C04, boasts digital readout, automatic station scanning, and computerized circuitry to maintain exact tuning with no knobs to turn. The new cassette deck, the RS-M07, has Dolby noise reduction and a host of convenience features, such as switching from rewind to play without pressing the stop button.

Technics will also be showing a recently introduced portable Micro system, the SA-c07, that can be

Continued on Page 16



JVC Mini—Circle No. 293 on product card



KLH System 44 400—Circle No. 294



Fisher AS ACSM 500—Circle No. 295



Akai Mini Components—Circle No. 296



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Circle No. 11 on product card

New firms see bright future for audio

Tired of hearing depressing news about the audio industry? If so, one way to get a lift is to talk to some people who recently decided to get into the hi-fi business and are giving it all they've got. If they're not bullish about the industry, no one is.

Take David Mazzella, president of Megatron Corp., which plunged into the hi-fi market last Christmas with a brand-new brand name called Mega Tech and a mind-boggling \$12 million-a-year advertising budget.

Megatron, Mazzella explains, is a new corporation that is committed to becoming a major force in the audio market.

The entire audio field, Mazzella believes, has been underadvertised—"so underadvertised that 43 percent of the general U.S. population

"A survey showed fifty percent of Americans did not own any hi-fi equipment."—David Mazzella, Megatron

business in a short length of time is N.A.D., which started off in Europe as a dealers' group eight years ago and has been in business in this country for three years. The firm is also active in 23 other countries around the world.

N.A.D.'s claim to fame, says

national marketing director Peter Tribeman, is that it is "not interested in building or marketing the world's best anything. What we are interested in is building and marketing something that is infinitely close to the world's best at a fraction of the price—in other

words, price-performance ratio to the Nth degree.

N.A.D. entered the U.S. market with a 20-watt integrated amplifier and a \$175 20-watt receiver, and both products immediately won wide acclaim among audiophiles. Tribeman says the company has more than a dozen audio products on the market today and is now putting the finishing touches on a new amplifier with "enormous dynamic range" and a new turntable that will have "the most unique arm in the industry."

An even newer hi-fi manufacturer

Many new minis unveiled at summer show

Continued from Page 14

operated on AC house current or on DC current in a car, van, boat or plane. This system consists of a 30-watt-per-channel power amplifier, a separate mini-preamp, a digital quartz synthesizer tuner, a metal-compatible cassette deck with Dolby, and a compact two-way speaker system.

Hitachi also has a mini-compact matched component system that can be operated on either house current or car batteries. Weighing just over 28 pounds, it includes a 15-watt-per-channel integrated amplifier; an AM/FM tuner; a four-track, two-channel stereo cassette deck with metal capability and Dolby noise-reduction circuitry; and two 2-way mini-speakers in acoustic suspension cabinets. The system carries a suggested retail price of \$699.95.

Two-Arm Turntable

One of the most unusual small systems on the market is the new Sharp VZ-3000, an integrated product featuring a double-arm, vertically standing turntable that will actually play both sides of a record without the necessity of turning it over. The system also includes an amplifier, an AM/FM stereo tuner, a metal-compatible cassette deck, and a pair of matching two-way speakers.

Sharp is also proud of its new System 5000, made up of flat

tems—the UC-3 and UC-4.

The UC-3 is made up of a 30-watt-per-channel integrated amplifier with a THD rating of 0.03 percent, a metal-compatible tape deck, a digital-readout tuner, and a pair mini-speakers. It carries a suggested retail price of \$1,100.

Super-Fi System

The UC-4 is a similar system but has a 45-watt-per-channel amp with a THD rating of 0.01 percent. It retails for a suggested \$1,214.

One of Fisher's newest super-fi systems is the ACSM500, a set of micros that can be housed in an optional mini-component rack and are loaded with special features. There's a four-track micro-cassette deck with a built-in mixing mike, plus cue and review functions; a second mini-deck that features direct drive and uses standard cassettes; a programmable digital quartz audio timer with fluorescent display;

introduced Model 400 mini-system. It includes a 30-watt-per-channel integrated amp with LED power meters and frequency contouring for flat response; an AM/FM stereo tuner; a solenoid-operated metal-compatible cassette deck with Dolby; a pair of KLH-4 speakers, and a walnut cabinet. Nationally advertised price of the full package is \$999.

The Onkyo Alternative

Onkyo has elected not to enter the mini-market, but does offer some



Megatron Minis—Circle No. 305 on product card

could not name one brand of hi-fi equipment when asked to by a leading industry publication survey. Further, as of the end of 1980, over 50 percent of Americans did not own any hi-fi equipment—representing an enormous untapped market."

Ad Campaign Pays Off

This market, asserts Mazzella, can be persuaded to invest in audio equipment "if they can be reassured that it's possible to buy full sound without first having to acquire an engineering degree."

Megatron put its money where its mouth is this past spring with a massive TV and print ad campaign that concentrated on the New York, Connecticut and New Jersey areas. The campaign, according to Mazzella, reached more than 90 percent of its target ownership—people 18 to 34 years old—via television alone.

Retailers and the public alike responded favorably to Mega Tech's message, reports Mazzella. Orders for Mega Tech products were placed by stores throughout the target area of the ad campaign, and orders also came in from faraway areas that had not even been hit by the ads, including Philadelphia, Houston, Cleveland and Chicago.

Another company that has done very well in the American hi-fi



Technics RS-M07 Mini-Deck—Circle No. 302

"panel" components less than four inches deep. The 5000, the second such system offered by Sharp, includes an integrated amplifier, an AM/FM stereo tuner with a built-in metal-compatible cassette deck, and a two-way bookshelf speaker system. Suggested retail price of the whole works is \$699.95.

Akai entered the mini-market last summer with its UC-2 and UC-5 systems, and now has two more sys-



Aiwa M-101 System—Circle No. 303

a dubbing module for transferring material between the mini-deck and the micro-deck; a 20-watt-per-channel integrated amplifier; an AM/FM quartz PLL digital synthesizer tuner; a remote control unit; and a pair of metal-cone speakers.

KLH, which became a full-line audio manufacturer this year, will be at Summer CES with its recently



The Onkyo Alternative—Circle No. 300



Hitachi J2 Mini-System—Circle No. 304

space-saving "midi" components, including its new slimline CX-70 receiver with built-in cassette deck. "We looked at the minis and the micros, and we could have built them as well," explains Onkyo's national sales manager, Mark Friedman. "But we just didn't feel good about the concept. Compromises were made that Onkyo wasn't comfortable with, and in many cases



Audiologic System—Circle No. 301

when you stack all the minis and micros together, you use up more pieces and more space than with the equivalent Onkyo slimline components. We thought the consumer would prefer slim styling to miniaturization, and it seems we were right." So Onkyo still has no plans to plunge into the mini-market, Friedman says.

than Megatron or N.A.D.—one that is introducing itself, in fact, at the Summer Consumer Electronics Show—is Loranger Manufacturing Corp. of Warren, Penn. Loranger has just started manufacturing a new audio tape, Loran, which it hopes will set new quality standards in the industry.

Robert T. Loranger, president of the entertainment division of Loranger Manufacturing, says that the company decided five years ago under the leadership of his father, Albert Loranger, to enter the blank tape field. When the decision was made, the firm was 26 years old, had achieved considerable success as a manufacturer of precision plastic products and electronic quality-control systems, and was looking at new fields to enter.

Loranger says there were many

"Our first-year advertising budget will be up in the seven figures." —Robert T. Loranger, Loranger Manufacturing

reasons for the final decision to become a tape manufacturer. "But the primary reason was that there was a large gap between the best audio tape product available and the best product possible. The lack of a truly high-quality audio cassette presented many opportunities—specifically, the opportunity to offer dealers a profitable tape product with clear-cut user benefits, and the

opportunity for our company to succeed and profit in a growing field."

Loranger says he firmly believes that Loran cassettes are "the best consumer audio cassettes that can be manufactured," and he plans to convince the consumer of that through dealer support and advertising.

"Our first-year advertising bud-

get, for trade and consumer, will be up in the seven figures," he declares.

And he concludes: "Loranger Manufacturing has been successful in every venture it has undertaken. The company has been profitable every year in the 31 years of existence, and has been free of any debt since it was founded. We have no expectations of overnight success for Loran cassettes. We believe our product will be well received and that it will gain a growing share of the market each year."

"At the end of five years, Loran cassettes should have a significant share of the blank audio cassette market."



Loranger Tapes—Circle No. 323 on product card

1980 Earnings up at Soundesign

JERSEY CITY, N.Y.—Soundesign Corp., a leading manufacturer of stereo compacts, stereo consoles and other home electronics products, reports that its sales, net income and earnings per share all increased sharply last year over those reported for 1979.

Ely Ashkenazi, the company's president, says that sales for calendar 1980 were \$138.2 million, compared with \$161.8 million in 1979, while net income for 1980 was \$922,000, contrasted with \$741,000 for the previous year. Earnings for 1980 were 40 cents per share, compared with 30 cents per share for 1979, based on 2,283,000 shares for 1980 and 2,450,000 shares for 1979.

European CES is postponed

NUREMBERG, West Germany—The first annual European Consumer Electronics Show (ECES-81), originally scheduled to have been held from May 10 to May 13, is postponed until next May.

The organizers of the Show, Industrial and Trade Fairs Ltd., say they decided to postpone it "in the light of a number of factors which could have adversely affected the successful realization of what is a brand-new exhibition concept for the European market."

"Discussions with participating exhibitors," the organizers explain, "have indicated that manufacturers in new product areas are encountering difficulties in matching supply with demand levels."

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Circle No. 12 on product card

Six Original Masters tapes to be released

CHATSWORTH, Calif.—Mobile Fidelity Sound Lab is using BASF Professional II chromium dioxide tape for its new line of Original Master Recording prerecorded high-fidelity cassettes.

Both Mobile Fidelity and BASF are promoting the new releases, according to Herb Belkin, president of Mobile Fidelity Sound Lab.

The initial release, says Belkin, includes six titles already available on Original Masters LPs: Supertramp's *Crime of the Century*, Pink Floyd's *Dark Side of the Moon*, Steely Dan's *Aja*, Earl Klugh's *Finger Paintings*, John Klemmer's *Touch*, and the Los Angeles Philharmonic playing *Star Wars* and *Close Encounters of the Third Kind*, with Zubin Mehta conducting.

The premium cassettes, like Mobile Fidelity's Original Master Recording LPs, are "state-of-the-art limited editions," the company says. They are recorded from the original master tapes using a one-to-one real-time transfer process developed by Mobile Fidelity, adds the firm.

The first tapes in the series are scheduled to be unveiled in Chicago this month at the 1981 Summer Consumer Electronics Show, says the firm.

Mobile Fidelity recordings—
Circle No. 205 on product card

Pioneer introduces new audio components

NEW YORK—U.S. Pioneer has a whole new line of home audio components at the Consumer Electronics Show in Chicago, and they look nothing like any line the company has even shown before.

Analog dials have been totally replaced by LED digital readouts, graphic symbols that light up when buttons are pushed, and glowing blue and green gas displays. "Set-and-forget" controls are mounted behind hinged brushed-aluminum covers for a clean, uncluttered look when the panels are closed.

All of the components are cosmetically matched, and each is 420mm wide for aesthetic continuity. In designing the new line, Pioneer has almost completely discarded the traditional concept of what hi-fi components are supposed to look like and seems to be totally dedicated to a new kind of computer module look that may well turn out to be the trend in hi-fi design for the rest of the 1980s.

But Pioneer has not forgotten the non-audiophile customer—the woman, the older customer, or the first-time buyer—who may be looking for something less intimidating than high-tech, state-of-the-art hi-fi. For this growing market, the company has a new generation of Syscom integrated systems—the Syscom 1100, 2200, 3300, 4400 and 5500—which are more traditional in appearance, are prepacked in designer cabinets, and carry suggested retail prices of \$750 to \$1,500.



Pioneer's CT-4 Cassette Deck (above) and the SX-7 Receiver.

The new line for CES is topped off with three new headphones and three new moving coil cartridges.

The new series of separates consists of four receivers; six "smart" cassette decks; five integrated amplifiers with power ratings of 35 to 100 watts per channel; three tuners; and five turntables, including one linear tracking model.

All of the electronic components in the line are designed using a "three-block" concept for the controls. The left third of each front panel houses controls that are usually set once by the owner, then rarely, if ever, used again. The center panel, as Pioneer puts it, is a "pictograph display" that tells the customer what functions are being used. The right-hand panel is for often-used controls.

Various models of the new receivers and tuners offer advanced

electronic features such as quartz synthesized tuning, scan modes, memory functions, and digital signal detection. Interesting features of the amplifiers and the amplifier sections of the receivers include DC-Servo circuitry, Non-Switching amplifier technology, and built-in pre-amplifier stages for moving coil cartridges.

The new cassette decks offer a host of features, depending on the model selected, including timer-assisted record/play capability; one-touch recording; music search capabilities; and automatic adjusting of bias, level and equalization. The top two decks in the new series also offer switchable Dolby C in addition to Dolby B, plus a switchable multiplex filter.

Pioneer Line—Circle No. 232 on product card

Fuji looks to increase metal tape output

NEW YORK—The metal tape market is alive and well—and very profitable, declares John Birmingham, national sales manager at Fuji.

Fuji has been offering 10 percent promotional discounts on its metal tapes since January, and Birmingham says the program has been a tremendous success. "We're leading with our strength, our award-winning metal tape, and using it to sell in our entire line of

reformulated audio tape products."

Birmingham adds: "In light of the tremendous response by consumers to our metal program, we have asked management at our Tokyo production facility to increase its runs of metal tape. That will afford us additional production economies which will help to keep metal prices at 'affordable' levels."

Fuji tape—Circle No. 179 on product card



Fuji metal tape.

Phase Research speakers can 'alleviate unwanted resonance'

DALLAS—Phase Research, a pioneer in modern state-of-the-art speaker design, announces a new line of three high-fidelity loudspeakers with a host of innovations in engineering.

The new units—dubbed the "Little D," the "R" and the "JR"—carry suggested retail prices of \$250 to \$400 each.

All three models, the company reports, use Phase Research's unique, patent-pending "Compression Line Loading" technology. The main feature of this concept is an acoustic trap which Phase R says "alleviates unwanted system resonance colorations and their spurious harmonics, thereby getting rid of the 'box sound' that is all too often associated with other loudspeakers."

Conventional paper cone woofers have been replaced in the new line with a new proprietary woofer made of pure polypropylene. "This new woofer has a cone resonance so dramatically low that the normal

high-frequency ringing associated with conventional drivers is virtually damped out."

But the most unusual feature of the new line, says the firm is Phase R's unique "Line Energy Driver" midrange-tweeter unit. "This flat-diaphragm driver, with the voice coil etched directly onto the diaphragm itself, has over 91 percent of its total area driven, compared with about 6 percent achieved from conventional dome or cone units," the company president explains. The manufacturer reports the driver is also unmatched in low weight, power-handling capability, wide dispersion, and phase integrity.

Other features of the new speakers include phase alignment of the drivers, high power crossovers, and extremely low-resonance cabinet, according to Phase Research.

Phase R speakers—Circle No. 206 on product card

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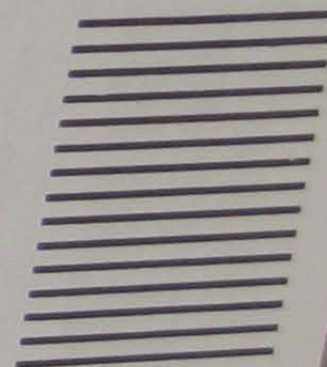
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Panasonic SoundScape P-9

Panasonic bows two integrated audio systems

SECAUCUS, N.J.—Panasonic is CES-bound this year with two new lines of integrated stereo systems: the SoundScape series, designed for people who want real high fidelity without the hassle of mixing and matching components, and the Systematix line, featuring a new one-piece receiver/cassette deck.

According to the firm, the SoundScape series includes four different systems ranging in suggested retail price from \$750 to \$1,500. There are two Systematix systems, one priced to sell for a little as \$499.95 and the other with a suggested retail price of \$659.95. To go with the Systematix systems, Panasonic offers a new two-way mini-speaker, the SB-045. But the systems can also be sold with Panasonic's full-size SB-501R Turbo Thruster speakers.

The two new Systematix systems are built around a "Cassceiver," a cassette deck and receiver built into a single chassis. Both systems offer metal-compatible tape decks, along with matching turntables and either full-size or mini-speakers. The top system, the SE-65, has a rated power output of 26 watts per channel. The other, the SE-60, is rated at 20WPC.

Panasonic Stereo Systems—Circle No. 248 on product card

Sony shows 35 new hi-fi components at CES

NEW YORK—Sony heads for Summer CES with a dazzling array of 35 new hi-fi components, including feature-loaded new lines of receivers, cassette decks, turntables and integrated systems.

There are six new Sony receivers this year: three quartz frequency synthesis units and three medium-priced analog models. The top four receivers in the line are equipped with Sony's new Legato Linear DC amplifier circuitry, designed to control switching distortion without constantly changing bias. The company says this approach eliminates the staccato action of transistor switching, dramatically reducing switching distortion.

Sony has eight new cassette decks with a host of human engineering features designed to appeal both to the audiophile and the first-time buyer. The new FX series, a line of six decks tailored to



Sony FR-5000 System

attract the first-time customer, offers advanced features such as a linear tape counter, an Automatic Music Sensor (AMS), and feather-touch controls. Two of the new FX decks have Dolby C noise reduction.

The other two new decks in the line are the TC-K777, a sophisticated unit with automatic bias and level adjustment, and the TC-PB5, a

playback-only model for listening to prerecorded material.

Sony is unveiling eight new turntables, including the PS-X800, the first linear-tracking model with a Biotracer arm. The Biotracer arm, equipped with a microprocessor computer that actively damps resonances to reduce distortion, is a Sony exclusive. Two of the company's other new turntables also have Biotracer arms.

Rounding out the new Sony line are four new integrated component systems and nine new accessories, including a turntable/cassette deck synchronizer for making recordings; an illuminated tape head demagnetizer; a wireless remote control unit for cassette decks; an automatic tape eraser/reviewer, and an outboard FM antenna.

Sony High Fidelity—Circle No. 273 on product card

Kenwood has new systems, cassette tape line

CARSON, Calif.—Kenwood's product lineup for Summer CES includes a new line of seven integrated hi-fi systems, a new line of high-quality blank cassettes, and a new series of featherweight headphones.

The systems, the Spectrum Series, are tailored to appeal to the non-audiophile customer and are

designed to be sold easily. The company says that the series will be sold primarily by appliance retailers and department stores under agreements that differ from those applying to other Kenwood lines.

The new tapes, on the other hand, are aimed primarily at the quality-oriented tape consumer who is concerned with obtaining the best

possible sonic performance. They are built into precision-molded cassette shells with five-screw fastenings, says Kenwood. The base material of the tapes is tensilized polyester. The tape line will be available only to Kenwood dealers.

There are four tape formulations in the series. The Kenwood MD is a metal alloy particle formulation priced to retail at \$15 for a C-90 and \$12 for a C-60. The CD series is a cobalt-adsorbed gamma-ferric oxide high-bias tape that will retail at \$7.50 and \$5.50 for C-90 and C-60.

The ND series, priced at a suggested \$6.50 for C-90 and \$4.50 for C-60, is a premium ferric oxide formulation. And the N series is a high-grained ferric oxide formulation that will be advertised at \$4.50 for C-90 and \$3.50 for C-60.

Kenwood High Fidelity—Circle No. 291 on product card

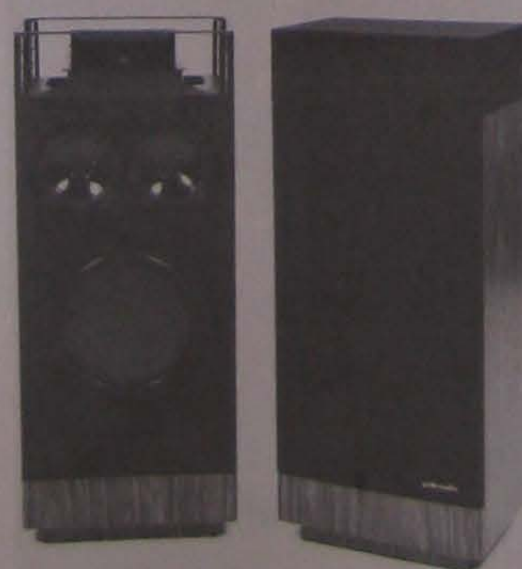


Kenwood's new ND, CD, and MD blank cassettes

Polk unveils the RTA12B, successor to RTA12 reference monitor system

BALTIMORE—Polk Audio unveils a new floor-standing speaker, the \$450 RTA12B Reference Monitor System, which the company calls "the most significant new product that Polk has introduced in several years."

The new unit, successor to the widely acclaimed RTA12, features an all-new cabinet design, a completely new dual crossover network, and a newly developed trilaminate polymer driver. It also retains many of the design features of the original RTA12, including phase-coherent open-air driver mounting and a fluid-coupled planar subwoofer.



Polk Speakers—Circle No. 238 on product card

Stylus cleaner buzzes dirt away

STOW, Ohio—An electronic stylus cleaner, which vibrates away dirt and dust with a built-in high-frequency oscillator, has been unveiled by Signet, the cartridge manufacturer.

The battery-operated device, 5½ inches long, is designed to be placed on a turntable mat. The user then positions his phonograph tonearm so that the stylus of his cartridge rests on a built-in finely

bristled pad. The battery-operated cleaner is then turned on, and dirt and deposits on the stylus are gently vibrated away.

The cleaning device, the SK305, carries a suggested retail price of \$29.95, including a bottle of specially formulated cleaning fluid, says the manufacturer.

Electronic Stylus Cleaner—Circle No. 204 on product card

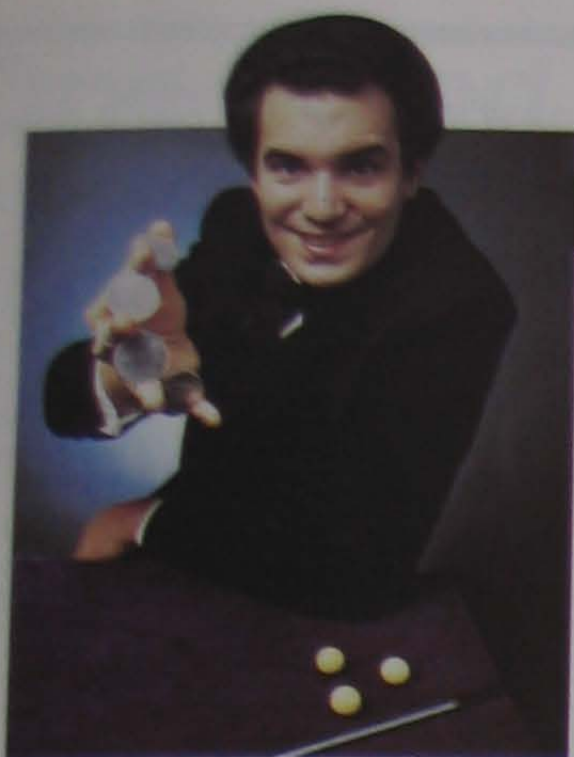


The Signet SK-305 electronic stylus cleaner

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Circle No. 13 on product card

Yamaha unveils 16 new audio components at Summer CES

BUENA PARK, Calif.—Yamaha introduces 16 new audio components at the Summer Consumer Electronics Show in Chicago, including four new receivers designed to take the listener "beyond stereo" with a new built-in device called a Spatial Expander.

The Expander, Yamaha claims, spreads the stereo image out an extra 160 degrees beyond the listener's speakers, adding realism by widening the apparent distance between instruments on recordings.

The company has not revealed the details of how the circuitry works, but calls it "a new dimension in sound."

No extra speakers or amplifiers are needed.

The receivers featuring Spatial Expander range in suggested retail price from \$550 to \$900. The two top models in the line, the R-2000 and the \$700 R-1000, also offer Yamaha's "X" Power circuitry, designed to provide an amplifier with exactly the amount of power that it needs from one moment to the next for efficient operation and optimum sound.

Other new Yamaha products include three new cassette decks, one with built-in auto-reduction; four new integrated amplifiers; three new tuners; and a new \$180 moving coil cartridge.

Yamaha audio components—Circle No. 237 on product card



Yamaha stereo receiver Model R-1000

Toshiba hi-fi displays call letters and radio frequency of station tuned

WAYNE, N.J.—Toshiba unveils eight new hi-fi components at Summer CES, including a sophisticated new FM/AM tuner with an alpha-numeric digital readout that displays both the frequency and the call letters of the station to which it is tuned.

The new line also includes a digital synthesizer receiver with DC amplification; a new tuner-amp-preamp integrated system; two new metal-compatible cassette decks, and two new belt-drive semiautomatic turntables.

Toshiba's new tuner, the ST-S80, features a fluorescent readout that can display the station frequency and call letters of any FM or AM station in the United States. For those who like to forget about the call letters and give stations other kinds of labels—for example, NEWS, ROCK, and SOFT—the unit can be programmed to do that, too.

No matter how the letters are set, the frequency is displayed.

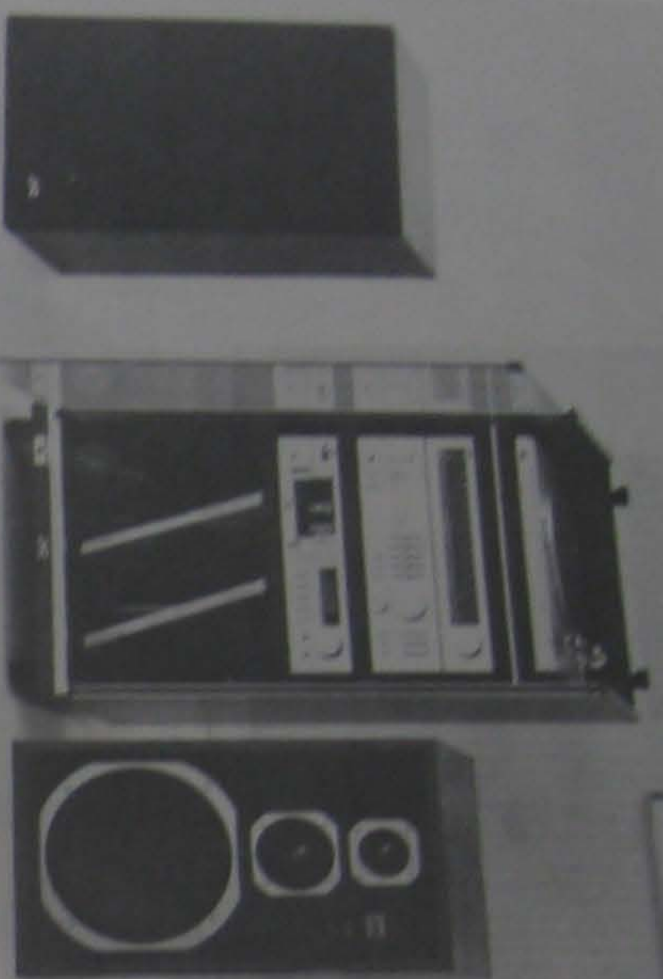
The company's new receiver, the SA-S55, features a fast-tuning scan up and down the frequency spectrum, auto-scan in both FM and AM, and pushbutton preset tuning with 12-station memory. Its suggested retail price is \$390.95.

The new decks are the PC-115, which retails for a suggested \$199.95, and the PC-611, a solenoid-controlled two-motor model that lists for a suggested \$294.95. Toshiba's new line is topped off with a brand-new three-piece, 40-watt-per-channel matched component system and two new turntables, which feature front-mounted controls and straight tonearms and carry suggested retail prices of \$115 and \$140.

Toshiba High Fidelity—Circle No. 276 on product card



Toshiba's matched components.



JVC's Model G-200MKII

JVC upgrades rack system line with new introductions, revised designation

ELMWOOD PARK, N.J.—JVC is upgrading its G-series Rack System line with several products being introduced at CES.

Although the line itself was introduced less than a year ago, advances in JVC tuners, turntables, and cassette decks have made upgrading necessary. The new rack systems line is designated the Mark II Edition.

The Mark II Edition consists of six systems: G-202 Mark II, G-101 Mark II, G-33 Mark II, G-11 Mark II, G-Mini rack system, and the new G-10 rack system.

The G-202 Mark II system now features the L-F41 fully-automatic direct-drive turntable; a new T-10X tuner featuring an FM sensitivity of 1.0 uV (11.2dB) with a PLL stereo demodulator in IC for precision stereo FM/AM reception; the A-X2 A-X2 Super A stereo integrated amplifier, SK-303 three way speakers and LK-G44SW audio rack which remain unchanged from the original G-202 system.

The G-101 rack also features the new tuner and optional cassette deck. The G-101's new L-A31 auto-return, direct-drive turntable, A-X1 Super A stereo integrated amplifier, SK-101 three-way speakers, and LK-G44SW audio rack

complete the system.

The G-33 Mark II features the same turntable and cassette deck option as the G-101 system. The R-S33 Super A FM/AM stereo receiver is still the heart of the system with SK-303 three-way speakers and LK-G44SW audio rack for back-up support. The G-11 Mark II rack includes the L-A21 auto-return, belt-drive turntable for high tracking accuracy and low distortion. The remaining components are the R-S11 FM/AM Stereo receivers, SK-101 three-way speakers, and LK-G44SW audio rack.

The G-Mini rack system remains unchanged.

The new G-10 system is built around the AL-10X unit, a one-chassis tuner and amplifier combination called "the inseparables." A faceplate design resembles three distinct components, notes the firm.

This system includes the new L-A21 auto-return, belt-drive turntable. The G-10 also features the SK-400 two-way speaker system with 8-inch free edge woofer and 2.3/8-inch tweeter for tight bass and accurate treble.

JVC Rack Systems—Circle No. 287 on product card

TDK predicts 'dramatic' consumer demand for microtape through 1983

GARDEN CITY, N.Y.—TDK, predicting that consumer demand for high-quality micro-sized hardware and software will grow dramatically over the next three years, is at Summer CES with three new formulations of microcassette tapes.

One of the new tapes, using the TDK D formulation, is designed primarily for dictation and general use. The second, an AD cassette, is intended for use in high-quality music reproduction. The third, an MA metal microcassette, features the same metal formulation used in

TDK's standard cassette and open-reel tapes.

"Microcassette applications at the consumer level are as varied as they are for standard-size cassette applications," the company says in announcing availability of its new microcassette line. "The availability of TDK microcassettes in D, AD and MA metal tape formulations provides the consumer with a wide range of choices."

TDK—Circle No. 283 on product card

One-brand systems reach mass market

By Don Palmquist
Vice President-Marketing
Kenwood Electronics, Inc.

Although the decade is still young, a trend for the 1980s is clearly emerging in the way home stereo manufacturers are striving to expand their consumer base. Manufacturers have concluded that the way to reach the mass market is through one-brand systems—complete stereo systems packaged in attractive racks and cabinets—and they are now acting on that conclusion.

As is usually the case, economics are playing a large part in the unfolding of this trend. It's no secret that the growth which the audio industry in this country enjoyed in the 1970s has slowed down. Sales volume of individual components has leveled off, and profit margins on these sales—for manufacturers and retailers alike—are not sufficient to invest in future growth.

When Japan underwent a similar

that the salesman has to sell a customer on the credibility of each. The fewer brands in a system, the easier it is to sell, and the "fewest" number is one. Quite simply, one-brand systems sell more easily and more quickly because they allow the customer to buy with more assurance and less confusion than he (or she) would in putting together individual components or buying a store-packaged multi-brand system.

The one-brand system offers dealers other benefits as well. For

"A display is extremely important in merchandising systems"

—Don Palmquist, Kenwood

example, since the components and rack are designed to go together, the system becomes an attractive, hands-on display. A display is an extremely important tool in merchandising the one-brand system—especially with more women in the

audio consumer market than ever before. A good display not only enhances the appearance of the sales floor but, more importantly, reflects a lifestyle. A system placed on a riser with an appropriate

Continued on Page 26

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Circle No. 14 on product card

LEISURE TIME ELECTRONICS, Summer 1981 25



Don Palmquist

slump in its domestic audio market in 1977 and 1978, it bounced back largely because of a shift to one-brand systems merchandising. Today Japan is experiencing a boom in component sales, with one-brand systems accounting for more than 60 percent of the country's total retail audio sales.

Established Concept

In the United States, the concept of one-brand stereo systems was introduced a few years ago to department stores and is now taking root with audio chains and specialists—once the almost private domain of the hi-fi hobbyist, but now considered "total home entertainment" centers and an increasingly congenial environment for the one-brand system.

While the traditional mix-and-match method of selling separate components remains the backbone of the industry, the one-brand system is a more than viable sales alternative. For one thing, it is less price-sensitive and provides a dealer with higher profit margins.

For another, less product training is required for the salesman, who, in addition, is free to emphasize the continuity of quality offered by a single, well-known brand. A system made up of several brands means

American Video Association director analyzes pricing muddle

TEMPE, Ariz.—Low profit margins and aggressive price competition are facts of life in the retail video industry. And the situation probably will not improve much in the immediate future, says John Power, executive director of the American Video Association.

manufacturers — RCA, Zenith, Sony, etc.—who have been around for awhile. Their method of product distribution was established for their television some years ago. The problem is that because each independent distributor, to a degree, sets his own pricing structure,

price differences become clear and obvious.

"Suppliers that distribute video equipment through a network of factory-owned distribution centers — Akai, Sharp, Panasonic, JVC, etc.—are in a better position to establish national pricing programs and policies because they have direct control over the pricing and distribution of their products."

Advertising Is Important

Power feels that suppliers cause pricing confusion when, because of excess inventory or tight cash flow, they suddenly need to move hundreds or thousands of pieces of equipment. ("Yes," he notes, "it happens to the big guys, too!") And, says Power, "This is when 'sweetheart' deals are cut that are

far off the price sheet. Invariably these deals find their way to the marketplace, and the same suppliers that gave the 'special deals' want to know why the dealers are causing them so much trouble with low prices."

Another problem, according to Power, is the fact that there are so many products on the market that are identical except for the brand name. "This," he says, "causes these suppliers to set up a published price schedule, with a lot of flexibility built into it, so that they can respond to what the suppliers of other identical equipment are doing. Who's going to pay more for a Sylvania VC3100 than for a Panasonic PV1400, when both are available? They are identical ma-

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"The price confusion does not start at the dealer level."

—John Power, director, AVA

The AVA is a nationwide trade association and buying group for independent video dealers. And a recent survey of the organization's 400 members, says Power, "revealed that their greatest concern is the continual erosion of profit margins and the increased price competition that they are experiencing, along with what they see as a general level of price confusion related to video equipment—i.e., video recorders and cameras."

He adds: "Several members of our association who have backgrounds in other industries have mentioned the fact that they have been absolutely astounded to learn of the disarray and disparity that is the norm when it comes to the wholesale pricing and distribution of video equipment. Their experience in other industries had led them to anticipate that a product as sophisticated as video equipment would be marketed at least as professionally as products that are not nearly so advanced."

Not Weeping or Wailing

Power emphasizes that he is "not wailing at the industry" or complaining about its pricing policies. But he says he has some observations to offer as to why the confusion exists. "Part of it is due to the basic nature of the product," he says.

The AVA publishes a monthly newsletter for its members, and Power observes in a recent issue that "most video retailers consider low profit margins and competitive price wars to be the biggest problem in the industry. This is not surprising, given the competitive conditions that exist in most markets."

These difficult competitive conditions, Power asserts, are a result of the system of pricing and distribution that exists within the video industry. "Some of the problems are due to existing situations," he explains, "and other parts of the problem are caused by the policies of suppliers within the industry. The price confusion does not start at the dealer level."

He continues, "One reason that we have so much wholesale price confusion is because many suppliers distribute their products through various independent distributors around the country. Most of those that use this type of distribution are usually television

the prices for any given product can vary significantly from one part of the country to another. There is quite a bit of communication between video dealers, and the

How systems trends aids audio industry

Continued from Page 25

backdrop is, in effect, "onstage," the center of attention. Prospective buyers can both hear and see the system, visualizing it in their own homes. In a warehouse sale or mail-order situation, the same system would be harder to sell because the proper environment could not be simulated.

Cosmetics are also important, and here the unified styling of a well-designed one-brand system has a distinct advantage over the mix-and-match system. Many purchases are actually made on impulse—particularly by women—and some buyers don't even turn on

potential customers, who just want good music from audio equipment that looks good in the home. Retailers, for instance, still advertise individual separate components at ridiculously low prices that don't mean anything to less sophisticated buyers. Fortunately, dealers are now beginning to recognize that there is a different customer for one-brand systems than for separate components and are now qualifying their customers—letting the less sophisticated buy what they want to, without confusion. This new direction, however, seems to prevail more in the stores themselves than in their advertising—as

manufacturer. Co-op advertising support should include radio scripts, newspaper slicks, line drawings of the systems, glossies, and copy lines. The manufacturer should also furnish point-of-purchase displays (and suggestions for displays) and pass along ideas that have worked for other retailers. This is how we do it, and it has made for many mutually rewarding relationships with our dealers.

To further strengthen these relationships, a manufacturer should limit the number of dealers in a given market who carry a particular series of packaged systems, so each dealer can profit more from his investment. By the same token, a dealer should limit the number of different manufacturers' one-brand systems he carries.

Systems Sales Growing

As the trend toward one-brand systems grows, manufacturers and retailers will develop effective merchandising methods to sell these products. By this time next year, one-brand systems should represent about 50 percent of the mass market retailer's stereo business and about 25 percent of the audio specialist's. It is safe to believe that when all components for a system are purchased at the same time, the one-brand system will dominate. One-brand systems won't take much away from the audio specialist's regular mix-and-match business, but they should attract a lot of first-time buyers. While more manufacturers will be competing with each other, there will also be more and more types of dealers carrying component systems.

The competition among manufacturers will help the market because, collectively, they will sell the one-brand concept to the retailer and to the consumer. It will also result in better price points to dealers, better values to consumers, better packaging of components, and an overall expansion in the audio industry.

"For years the audio industry has been scaring away many retailers."

—Don Palmquist, Kenwood

the system and listen to it first. They buy it because they like the way it looks, and because of the brand's reputation.

Let's examine more closely this broader consumer base for matched component systems. It includes a large, affluent sector of 25- to 45-year-old men and, as I mentioned, a greatly increased number of women—primarily young and single. For the most part, this expanded market is made up of less audio-sophisticated buyers, who don't want to get involved in the nuts and bolts of hi-fi and who tend to avoid comparison shopping. Other prime prospects are first-time buyers, or those who've owned only a limited number of stereo products. In the past, many of these consumers might have gravitated toward the compact stereo system, but the once-popular compacts are losing much of their market today, with one-brand systems eating into their high end and portable radio/cassette units eroding their low end.

For years the audio industry has been scaring away many of these

retailers, no doubt, feel that advertising a complete system does not elicit as immediate a response as advertising a single, super-low priced component. And it's true. It takes more ads to sell the system, but they do pay off in the long run.

Vital Element

Since advertising is such a vital element in successful stereo marketing, let's touch a little on the subject as it relates to one-brand systems. To effectively reach the expanded target audience we've been talking about, advertising should address itself not to the components' specs, but to their desirable features and the system's value. This is what attracts this new breed of consumer. And once they're in the store, the salesman should continue the theme—talking about the fun in owning a stereo component system, not about frequency response and harmonic distortion.

Of course, the dealer's advertising and merchandising efforts should be supported by the

How to profit from the tape shortage

By Don Patrican
National Sales Manager
Video Products
Maxell Corporation of America

Though the shortage of videotape has created headaches for manufacturers and retailers alike, I believe it may be a blessing in disguise.

Of course in this period of great demand we all wish we had more product to sell, but this enforced "go-slow" period gives the wise marketer and merchandiser the opportunity to pursue a program that maximizes not only sales, but profits as well.

If we had all the product we

Dealers have been saying, "We have it and cheaper than anyone else." Well, that may move a lot of stock, but it does nothing to build a consistent customer base or profitable operations. To a large extent today, selling videotape has become merely a matter of trading dollars.

Growing Popularity

High grade videotape and the growing popularity of full-featured VCRs, however, provide an excellent hook for an educational approach.

Let's take a look at today's

"The videotape shortage may be a blessing in disguise."—Donald Patrican, Maxell Corporation

potential video customer and the bewildering array of product and choices he's confronted with.

He's heard a lot. He's heard about VCRs—but which one to choose? Beta or VHS? Slow-motion, fast-motion, freeze-frame, reverse?

Or should he choose one of those new fangled videodiscs? But again, which one? CED? LaserVision? VHD? And which machines have which features? And what about tape? Standard, high grade?

Continued on Page 31



Donald Patrican

wanted, there would be a strong temptation just to get it out there and get it sold. That can lead to chaos in the marketplace. This shortage gives us the opportunity to market videotape properly.

By properly, I mean offering the consumer the proper tape for his needs and selling it to him based on its benefits, not merely as a matter of price.

We have taken a first step in this direction by emphasizing an educational approach with our videotape to both retailers and consumers.

Most videotape is sold on the basis of price and availability.

National Video crosses border

PORTLAND, ORE.—National Video, franchiser of the video stores bearing its name, announces that it has opened its first facility outside the United States: a new National Video store in North York, a suburb of Toronto, Canada.

The new store plans to sell National Video franchises throughout Ontario, says its manager, Harvey Korman.

National video began offering franchises last January and officially began its franchise program March 1. Ron Berger, the company's president, says he is "confident that National Video will become the Hertz of the video retailing business, offering a quality family image combined with hard-hitting promotions and the benefits of group buying."

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Accessories boost retail video sales

Cover Story

Continued from Page 1

cases for the 4 million videodiscs and 25 million blank tapes expected to be sold this year, and the total is a sizable, full profit market. So far, however, it's a market that only the more aggressive retailers, usually video specialists, seem to be exploiting.

"Accessories are where the money is today because everybody gives away the hardware," says Jeff Steier, president of the United Video Buyers Associates, wholesale arm of the three-store Theatervision chain in northern New Jersey. "They usually sell at list price and carry markups of 40 to 50 per cent, making them a very important part of the business. In fact, a good accessory mix is the key to a profitable operation."

Theatervision's Effort

Theatervision stores stock tripods, lights, cabinets and tape holders, a few extension cables, lots of carrying cases and camera bags, and semi-sophisticated add ons such as stabilizers, enhancers, and bulk erasers.

"Most customers buy everything at the time of the original hardware purchase. That's the time when they're most receptive," Steier notes, "and if you don't get them on the first purchase, it's generally tough to get them afterward."

He describes a "good sale" as



Covercraft Leather Dust Cover—Circle No. 319

including a VCR, camera, tripod, lights, battery pack, extension cable, camera case, dust cover, and cleaning kit, adding an enhancer or other equipment to the list for a "super good sale." An average sale at his store consists of a VCR, dust cover, cleaning kit, and some blank tape.

Steier comments: "Major manufacturers have missed the boat on accessories. They don't push them or promote a complete video package. It's the small manufacturers who are making the most of the accessories, and they don't have a lot of money for promotion."

Eric Weiss, video buyer for the Stereo Warehouse chain in the metropolitan New York City area, agrees. "Accessories bring significantly more profit and are an important part of the business. The buying public is pretty aware and will buy what they need, thus creating a market. I know some small video stores can't make it on

hardware because of the small markup and make their profit only on accessories."

Stereo Warehouse, which added video hardware as soon as it became available, is just getting involved with accessories, mostly cable adaptors, connectors, and items for hookups, but expects to expand the category. Display methods "depend

about video products and their uses because the store is very close to the motion picture and video production centers of Southern California.

Good Growth Seen

Accessories also are a part of the product mix at Video Wholesalers in Miami, Fla., which sells "everything connected with video." Mar-

"Everybody gives away the hardware."
—Jeff Steier, president,
United Video Buyers Associates



Maxell's Head Cleaning Tape—Circle No. 320

upon the needs of each store. Sometimes we show accessories attached to the equipment, and some are carded and hanging on racks. The packages usually tell how to connect the accessories, but a salesman needs to show how to use some of them."

On the West Coast at Bel-Air Camera, "Customers are likely to check out a new gadget or accessory when they come back to buy tape or see what's new," reports Robert Coyle, manager of the audio/video division. "Video is becoming a hobby, and people want to take care of their equipment and to have anything that will make it more convenient to use."

Tough Customers

He views accessories as full profit items that are easy to sell with a suggestion or explanation, often bought on impulse, and as a part of meeting his customers' needs. Coyle adds that many of his customers are very knowledgeable



Amaray Storage Case—Circle No. 321



Bib Maintenance Kit—Circle No. 322

moves out at the rate of 40,000 to 50,000 cassettes each month.

"The American love affair with high-tech gadgetry will bring significant, if not geometric, growth in the sale of accessories as the general public becomes more involved with video recording products," predicts Harry Elias, vice president of US JVC Corp. home entertainment division. "JVC has experienced a 35 per cent increase in VCR accessory sales since 1978," he continues, "and projections for

Continued on Page 30

AVA director analyzes the video market pricing muddle

Continued from Page 26

chines." Power also observes that "some suppliers of video equipment have certain published prices but almost openly offer everyone some type of discount, which is expressed in multiples of percentages. The discount that you get depends on who you are, who you know, and what you have purchased in the past. Under this system, each regional sales manager sets his own series of discounts, and some small dealers may actually buy better than some large dealers." Some of these practices "surely violate the law," notes Power, "but they are very widespread."

Pricing Battle

But the No. 1 reason that there is so much confusion at the wholesale pricing level, according to Power, is that "the suppliers—i.e., the manufacturers and distributors of video equipment—play the same pricing game that most video retailers do; they try to make each sale at the highest price possible, as close to the published price as possible, while being sure that they have a great deal of latitude to keep from 'losing the sale.' It is an established system of published prices with unpublished flexibility."

Because of these and other problems, Power points out, "Many successful video dealers do not deal directly with the suppliers at all, but purchase their equipment from various sources, such as AVA, on a cash basis, from different points around the country. The suppliers

of video equipment have lost control of the distribution of their products. Transshipping is very common and is even fostered by the existing marketing structure."

See No Change Soon

Power concludes: "It may be thought that the buying activities of the American Video Association are strengthened by all of this price confusion, but we do not think that this is necessarily so. There will always be the need for independent video dealers to pool their purchasing power for improved pricing, which is perfectly legal, provided that the discounts are based on operational savings to the supplier. We think that the tremendous confusion that exists in the industry only adds to the confusion of the consumer, adds to the financial challenges faced by the video dealer, and heightens the suspicion that mistrust is felt between suppliers and dealers."

"These pricing and distribution practices are so widespread and common that we do not look for much improvement in the near future. To a large degree, chaos is the norm. The independent video dealer must keep as informed as possible on the various pricing structures that are being used for each product line so that he can position himself within this market in such a way that he can be competitive—and, even more important, profitable. The pricing confusion is something that can and must be understood and lived with in order to be successful."

THE HITS JUST KEEP ON COMING



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Circle No. 18 on product card

Video accessories a 'wide open' market

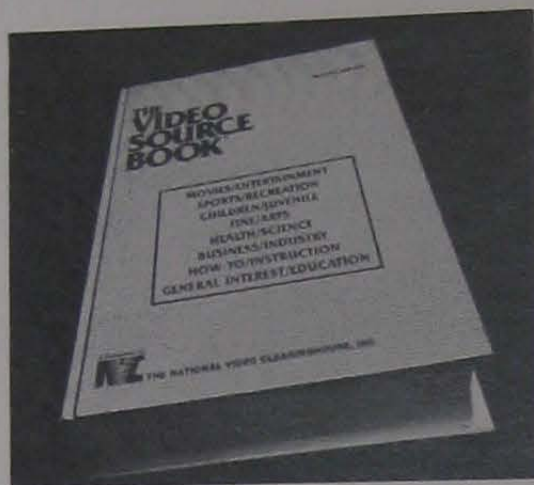
Continued from Page 28
the years ahead are even more encouraging. Hardware sales, industry figures show, will experience healthy climbs through the 1980s, but they will be far outpaced by an increased demand for software and accessories needed to outfit major systems."

The accessory market is wide open, Elias notes, "because fewer dealers carry VCR accessories, and competition is less strong. Consequently, a dealer stocking a full line of accessories stands a good chance of becoming known as a local, one-stop source for all consumer electronics needs."

He suggests using buyer psychol-

"Have accessories out where they can be seen by the customer." —Randy Burnworth, Showtime Video Ventures

"Have accessories out where they can be seen by the consumer and easily suggested by the sales person. Hook up an image enhancer between a portable VCR and a camera so that customers can see how it clarifies and improves the picture quality of a standard TV camera."



National Clearinghouse's Video Source Book—Circle No. 310 on product card

"Put a sleeve over an empty tape box to carry the message 'Ask us about adapters and high quality cables' and put it on the shelf with pre-recorded titles. Another successful technique is to put a series of adaptors on a display board to show applications."

The variety of accessory products continues to grow as needs become apparent or new or easier ways to extend the video experience become apparent. Among brands of head cleaning kits are Maxell, TDK, and Robins Industries. Bib Hi-Fi Accessories provides a complete line of video maintenance products. Amaray supplies cassette storage boxes.

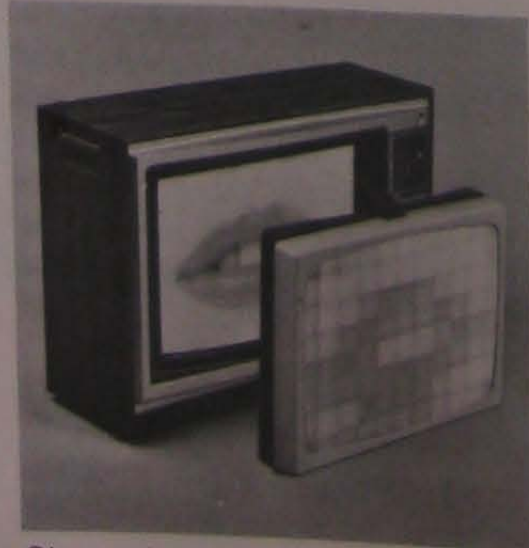
Shelton Video Editors is introducing a new model, E-300, which is designed to eliminate commercials automatically while videotaping with a claimed improvement in percentage of accuracy. More examples of the types of accessory products are varied kits, switches, and cables from RMS Electronics, Channel 1 video wallpaper and visually abstract video/music cassettes, and a computerized TV/VCR remote control line from Steremote.

Don't Hide The Product

Other ideas for encouraging accessory sales come from Randy Burnworth, one of the owners of Showtime Video Ventures, Tillamook, Ore., manufacturer of an image enhancer and other accessory products.



Pyramid Manufacturing's Elite-32 Cabinet—Circle No. 307 on product card

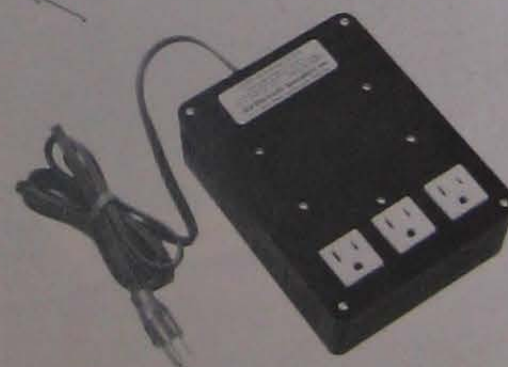


Channel 1 Art Screen—Circle No. 311 on product card

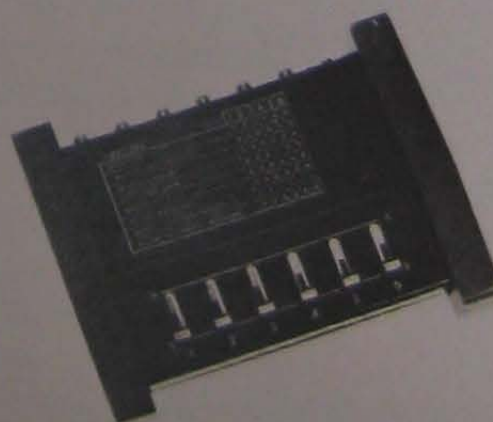


Total Video Supply Splitter Box—Circle No. 312 on product card

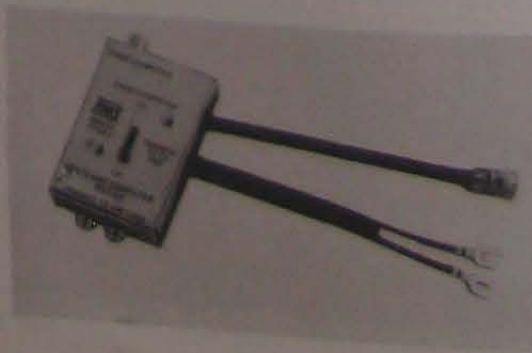
More of the manufacturers of accessory products are offering display racks and other in-store sales aids. Bib has a program including a counter or free standing display for its VE-2 maintenance kit, a Videophile mass merchandiser display containing a variety of items in a small space, and a handout explaining maintenance. "In addition, we have a media kit containing everything a dealer needs to prepare professional advertising and offer an eight per cent ad allowance," says Stephen



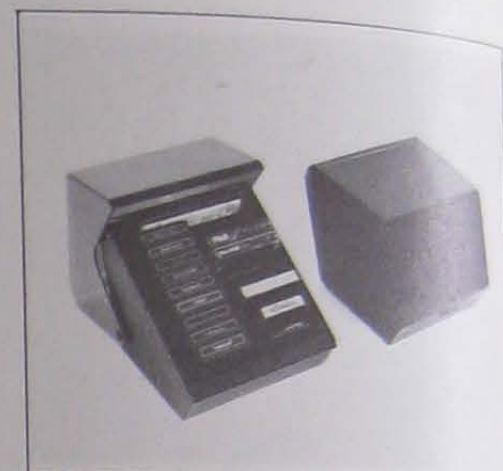
Electronic Specialists Super Isolator—Circle No. 313 on product card



Recoton Director Switch Box—Circle No. 315 on product card



Showtime Video Ventures' Color Processor—Circle No. 308 on product card



Innovative Concepts Cassette File—Circle No. 309 on product card

Godfrey, managing director of Bib, USA.

Both a demo unit and a six-minute videotape presenting the wireless remote control system in a playlet are available from Steremote. "These serve equally as a sales tool and as a teaching device for the dealer, and the VHS tape can be purchased 100 percent against dealer co-op," explains Doug Chatburn, sales and marketing director.

Still more video accessories are being introduced at CES.



Rack Factory Cassette Holders—Circle No. 314 on product card



Allsop "Wet" Head Cleaner—Circle No. 316



Distrivid Switch Boxes (above)—Circle No. 317 on product card.

RMS Game/Computer Switch (left)—Circle No. 318

Video player unveiled for rental market

CHATSWORTH, Calif.—Superscope introduces Rentabeta, a unique new videocassette player designed to be rented to people who don't own a videocassette recorder but want to watch movies on their television screens.

The machine is intended to be rented out with a videocassette of the customer's choice locked inside. The unit will not record, so the customer cannot erase the tape. And the machine is housed in a resilient, high-density polyethylene carrying case to protect it from the

rough handling it could receive on the rental market.

The customer is not given a key to the player, so the cassette which the dealer locks inside it stays there until the machine is returned. This prevents the customer from substituting a blank tape for the prerecorded one in the player.

Market Targeted

Superscope says that the Rentabeta is aimed at the 98 percent of American households who do not own a videocassette recorder. Many

of these families would like to watch movies at home, the company feels, and will be able to do so at modest cost with the Rentabeta system. Test marketing of the concept is scheduled to begin during the last quarter of this year.

When Superscope's new Rentabeta program begins, customers will be able to rent video movies in faraway places like hotel rooms. The unit will also be a boon to consumers who don't already own a VCR.



Profiting from the tape crunch

Continued from Page 22

What's the difference?

Let's face it; from the consumer's point of view, the video marketplace is a jungle of claims and counter-claims. And what's worse, unlike audio, there are very few expert friends around to consult for advice.

Because of this situation, most customers come to the retailer in various states of confusion. Even if he thinks he knows what he wants, he may have over-simplified his needs and he may miss some potential benefits of his new video machine.

That's where the trained salesman steps in. He can qualify the customer and make a reasoned pitch for video tape that meets specific needs and yields definite, easy-to-perceive benefits.

Qualifying the customer involves two things: discovering the uses and capabilities of the customer's machine, and the source of his programming. We don't recommend high grade for everyone. But the customer who has a full-featured machine, intends to tape a special program and will tape it from a high-quality source, such as cable, high grade is the correct choice. This same customer may want standard tape just for his day-to-day needs. These are questions the salesman must ask. Additional variables in this situation include the use of projection TV in the system, or whether or not the customer uses a camera and portable, both of which indicate the use of high grade tape.

To sell on the basis of something other than price you need a story—something you can convince the customer has added benefit for him. In the slower speeds and with stop-action and slow-motion, the quality and durability of the videotape is crucial. You can demonstrate, visually, the benefits of a higher grade tape so it can be sold more profitably.

What we tell floor sales personnel is that customers want and need more information about videotape—and they will buy from the salesmen who gives them reliable advice. This leads to a less price-sensitive sale encounter.

Dealers have been very receptive so far, and we hope to continue to expand the program.

Videocassette Tape Safe

THE PERFECT RENTAL CASE

Tape Safe will provide the very best protection for the rented cassettes, whether picked up at your store or delivered in the mail!

U.S. Postal Approved Mailer: Specially designed for shipping videocassettes through the mail. Self-adhesive mailing and library labels available. Pre-addressed labels make it easy to return the cassette.

Recessed Label Area: Provides protection for the label. Prevents accidental scratching or removal.

Dust Free Container: Provides protection for the tape, as dust will cause Video drop-outs. Preserves tape quality, color and prolongs the life of your movie or film.

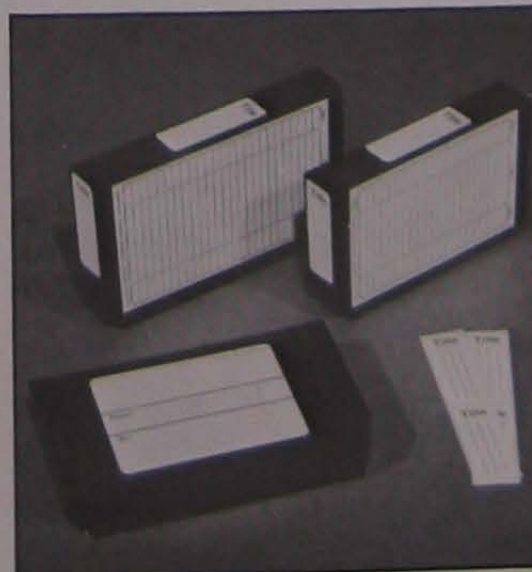
Impact Resistance: Provides protection from cassette damage, if dropped.

Audible Clicking when shipper is closed, indicates that case is closed and locked correctly.

Button Locking System with positive stops. Requires pressure on both buttons to open.



Easy open button design, locks firmly when closed.



Program recording labels available to keep track of your subject, date and time.



Cassette is held firmly in position by center hub captures. Cassette cannot be put in backwards.

SEE US AT CES BOOTH #3350

Innovative Concepts, Inc. 2284 Ringwood Avenue, San Jose, California 95131 408-262-6680

Circle No. 17 on product card

LEISURE TIME ELECTRONICS, Summer 1981 31

Sharp expands its product line

PARANIS, N.J.—A VHS color video camera "with a price tag aimed at making portable color video tape recording affordable for everyone" is available from Sharp Electronics.

The lightweight Model VC-36 has a suggested retail price of \$499 and is designed to accompany the firm's new all-in-one portable VHS video tape recorder, the VC-220.

Sharp officials project the portable market will account for 40 percent or more of VCR sales in 1981.

The VC-36 weighs 3.98 pounds and uses a battery that consumes 8.5 watts of power. Features on the unit include a see-through optical viewfinder, adjustable 28 mm lens and automatic iris, three 120 indicators for battery drain, VTR start and under-exposure, and 1-position color temperature control for adjustment to variable lighting conditions.

Combined, the VC-36 and the VC-220 retail for less than \$1,500.

The firm also introduces what it claims is the first "cable-ready" video tape recorder, Model VC-850. The 24-hour VHS unit has a built-in electronic RF channel cable-ready tuner that eliminates the need for a converter to tape cable programs. Other features of the new unit include a power-locked front loading cassette system, high-speed video search system, still frame, and automatic rewind.

VC-36—Circle No. 257 on product card

VC-220—Circle No. 258

VC-850—Circle No. 259

Sony introduces lightweight color camera, accessories

NEW YORK—Sony introduces a lightweight color video camera, Model RVC-2200, that features a 1.5-inch Tessicon pickup tube for greater color fidelity and sharpness.

A successor to the current Model RVC-3000, the new camera offers higher sensitivity and 300-line resolution. The RVC-2200 can shoot in low-level light as low as 48 lux with its fast 1:1.4 Canon lens featuring manual or automatic aperture. A four-position white balance selector and filters simplify color temperature correction.

The RVC-2200 is equipped with a



Sony's RVC-2200

60 mm-focal-length zoom and macro lens and features an electronic viewfinder with a 1.5-inch picture

tube to show focus, framing and exposure. Other features include an automatic take-up take-out and a remote-control capability.

A full line of optional accessories which add to the camera's versatility are also available. Optional accessories include a camera mount with a 3/8-inch mounting plate for the electronic viewfinder, a close-up adapter and a video camera filter.

RVC-2200—Circle No. 259 on product card

Accessories—Circle No. 260

Reconex prepacks more than 85 video products

LONG ISLAND CITY, N.Y.—Reconex claims that it now "leads the video accessories market" with a full new line of more than 85 video products and prepackaged assortments of video accessories.

All of the products are "packaged for easy consumer identification and volume sales."

One new product that has already proved to be a top seller, says Reconex, is the VHS Video Recorder Maintenance System, designed for cleaning delicate video cassette recorder parts such as power heads, capstans and rollers. The VHS, billed as a "professional's video cleaning tool kit," includes two ounces of "Video Magic Special Solution" in a 1-ounce graduated pump sprayer, plus four non-residue cleaning swabs said to be "superior tools for hard-to-reach video player areas." The kit, which comes with a complete cleaning maintenance manual, carries a suggested retail price of \$19.95.



Reconex prepacks 85 video accessories.

Reconex also offers the new VHS bulk tape eraser, which will remove hours of unwanted recordings in seconds. This product sells for a suggested \$19.95.

Also offered from Reconex are a new pair of head-cleaning cassettes: the VHS for VHS recorders, and the

VHS for Beta models. The cassette series are priced at a suggested \$14.95 each.

VHS Maintenance System—Circle No. 260

VHS Eraser—Circle No. 261

VHS, VHS—Circle No. 262

Videa Gems begins video series; releases four Children's Classics

WILMINGTON—Videa Gems offers four new prepackaged videocassette films that begin a series of Children's Classics animations.

The films are The Magic Fairy, Pinocchio, The Little Mermaid and Dunderbush. Produced in Europe, the programs have an unusual "talk act" feeling, reports the firm. Dunderbush was filmed in Scandinavia. Magic Fairy was developed in Russia, while Little Mermaid is a Japanese animation of the renowned Danish fairy tale. All are based on traditional stories of princesses, dams, magic animals and magical objects. Pinocchio was made in Italy and is based on the original 1940 animation. All films are officially dubbed into English, says Videa Gems.

Separately, these programs are the first in a continuing series of



Videa Gems Children's Classics started children's films.

Children's Programming—Circle No. 263 on product card

RMS Electronics simplifies video

NEW YORK—RMS Electronics simplifies a critical selection of switches to simplify the connection of antennas and cable boxes to television sets and VCRs.

A deluxe switch, the AC3-15, offers a choice of 75-ohm or 300-ohm inputs and outputs for direct connection of antennas (lines of either impedance without baluns or special connectors). The switch can be easily connected to any TV set via a 300-ohm twin lead which is provided.

The Model AC3-4 switch has 75-ohm input and output terminals for connecting antennas or cable boxes to a TV receiver using coaxial cables fitted with F connectors.

The AC3-4 switch accepts a 75- or 300-ohm antenna line and has an attached balun adapter to simplify connection to the VCR and VCR inputs of a 300-ohm receiver. Cable TV connections directly into the switch.



RMS accessories

which carries a suggested retail price of \$24.95.

The AC3-4 switch is for a 300-ohm set and has 75-ohm outputs for cable or VCR, or attached twin lead connects to TV set input.

AC3-15—Circle No. 221 on product card

AC3-4—Circle No. 222

AC3-4—Circle No. 223

AC3-4—Circle No. 224

Here are 20 ways to sell the new JVC Portable Video System. We don't think you'll need them all.

1. SUPER LIGHTWEIGHT

The HR-2200 portable videocassette recorder weighs only 11.4 lbs. including battery pack.

2. SUPER COMPACT

The HR-2200's longest dimension is less than 12 inches.

3. DURABLE & RELIABLE

We've replaced mechanical parts with reliable integrated circuitry and constructed the HR-2200's chassis out of shock-resistant fiber-reinforced plastic compound.

4. VERSATILE TUNER/ADAPTER

Optional TU-22U is a 4-in-1 unit that functions as a TV tuner, timer (you can pre-set for up to 10 days in advance), AC power adapter and battery charger. Stacks underneath HR-2200 recorder.

5. SHUTTLE SEARCH

Lets you run the tape forward or in reverse at 10x normal speed while viewing the picture. Specific program segments can be located quickly and easily.

6. VARIABLE SPEED PLAYBACK

Variable slow-motion (1/6 to 1/30 normal), freeze frame and frame advance.

7. REMOTE CONTROL

Gives you remote operation of 12 modes, including recording, variable speed slow-motion, freeze frame and frame advance.

8. LIGHTWEIGHT CAMERAS

The GX-66U is just one of JVC's line of ultra compact color video cameras. It has a 6x zoom lens with macro shooting capability, and a sensitivity switch for low-light video recording.

9. FOUR MOTORS

A new 4-motor system, including a brushless, quartz-locked direct-drive drum motor, servo-controlled capstan motor, reel motor, and a loading motor, assures stable and reliable operation.

10. FULL-LOGIC TAPE CONTROL

A microprocessor-based full-logic tape control circuit provides excellent operability.

11. SOLENOID OPERATION

Provides for feather-light push button operation and direct mode change convenience.

12. EDIT START CONTROL (ESC)

Automatically aligns a new recording with a previous one—thus minimizing distortion between separately recorded segments.

13. POWER ECONOMY SWITCH

Allows ESC System to function even after power is switched off in the middle of camera recording—allowing leisurely preparation time for the next shot. And prolongs battery life.

14. 3-WAY POWER SUPPLY

Operation with Ni-Cd rechargeable battery pack, household AC via TU-22U or AA-P22U, or car battery cord.

15. QUICK RECHARGING

Battery pack will recharge in about 90 minutes—while remaining installed in the recorder.

16. CONVENIENT VISUAL CHECKS

LCD electronic tape counter and LED tape running, battery warning, and moisture condensation indicators.

17. WIDE GAP VIDEO HEAD

Wide-gap recording/playback head ensures outstanding picture quality even under unfavorable shooting conditions.

18. FLEXIBLE POWER ADAPTER

Optional AA-P22U provides AC power for HR-2200, recharges 1 or 2 battery packs, and contains a built-in antenna selector.

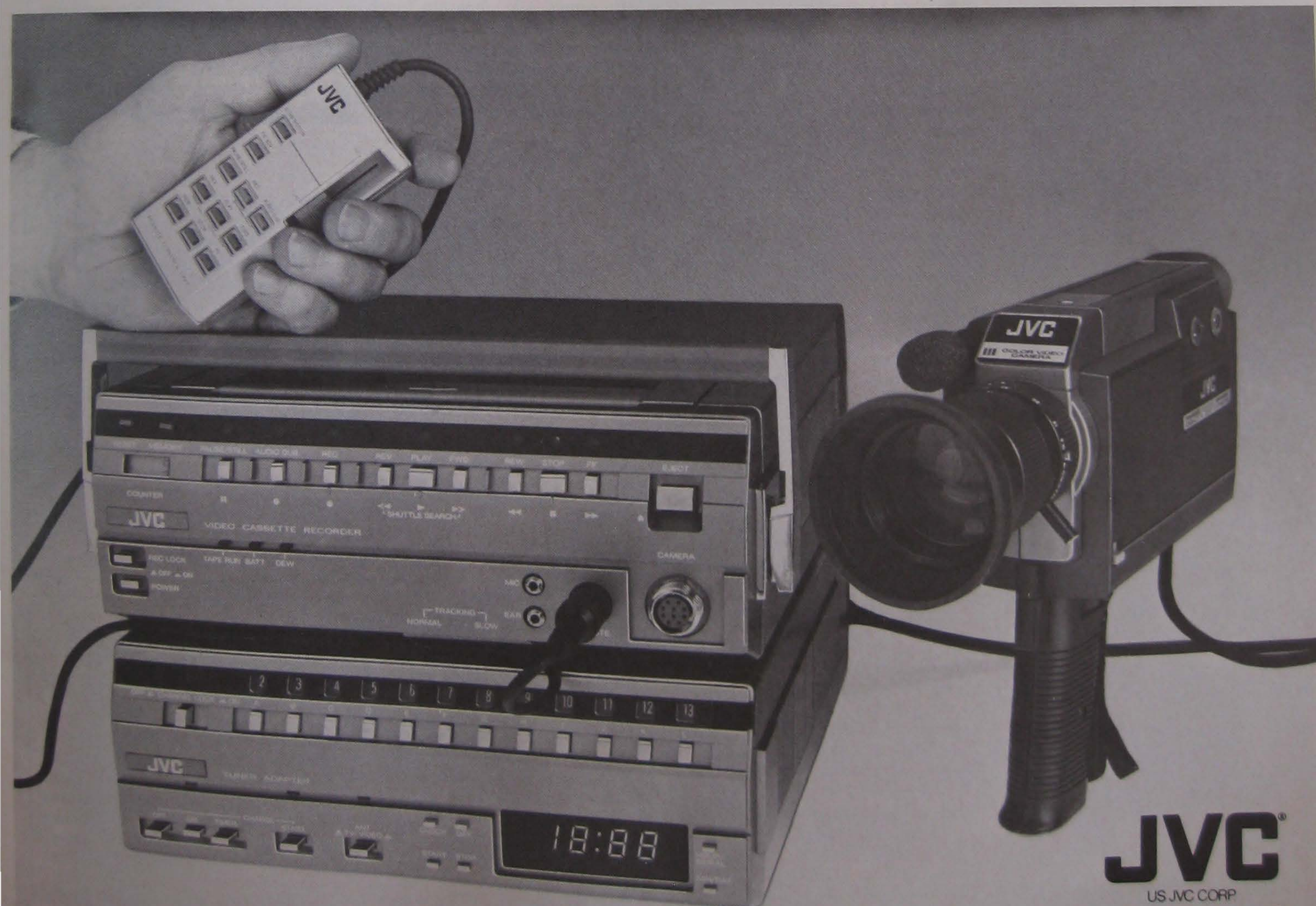
19. ACCESSORIES FOR EASY PORTABILITY

Accessories included with the HR-2200 are the remote control unit, cable, earphone, shoulder strap, carrying handle. Optional accessories include carrying cases, shoulder cart, battery packs, car battery cord.

20. VHS FORMAT

The HR-2200 employs the VHS system, developed by JVC, the most popular home video recording system in use today.

SEE US AT THE JUNE CES IN BOOTH #406



JVC
US JVC CORP

US JVC CORP, 41 Slater Drive, Elmwood Park, NJ 07407
JVC CANADA INC., 31 Progress Ave., Unit 14, Scarborough, Ont. M1P 4S6

New three-in-one lens care kit unveiled by Bib

RICHARDSON, Tex.—Bib unveils its new VE-13 lens care kit, including a retractable brush, a bottle of specially formulated lens cleaning fluid, and an anti-static cleaning cloth. Suggested retail price of the kit, including a handy carry-along wallet and a protective container for the brush, is \$8.95.

Bib lens care kit—Circle No. 332 on product card



Velbon. The Ultimate Video Camera Necessity.

The Velbon PX-741 is a heavy-duty professional type tripod that will help your customers make better tapes. This "top-of-the-line" model features rugged, 3-section sealed channel legs with quick release leg locks, a geared center column with adjustable friction control, a heavy-duty 3-way spring balanced panhead with sure-grip control handles and levelling bubble. The PX-741 is designed to safely support the weight of most heavier home video cameras and add extra profits to your overall video sales.

For further details on Velbon's full line of video tripods and camera/recorder accessories, and the name of your nearest representative, contact:

Velbon TRIPOD

Velbon International Corporation
2433 Moreton Street, Torrance, CA 90505
213/326-7902 TLX 65-3499



Circle No. 41 on product card

Reagan stars in 2 titles from MCA

NEW YORK—MCA Videocassette offers two of Ronald Reagan's most well-known films, *Bedtime for Bonzo* and *The Killers*, on videocassette for the home market in both Beta and VHS format.

In *Bedtime for Bonzo*, Reagan demonstrates his ability at light comedy. He plays a young college professor who is trying to raise a five-year-old chimpanzee like a child to prove that environment determines a youngster's future. Originally released in 1951, the movie runs 83 minutes.

The Killers was Reagan's last screen appearance. He has a totally different kind of role in this picture, playing a cold-blooded, heartless criminal mastermind. The film is loosely based on Ernest Hemingway's story of two professional assassins whose curiosity about a victim's refusal to run leads them to a million dollar bankroll. The picture is in color, runs for 95 minutes, and was originally released in 1964.

Other new releases by MCA Videocassette, Inc., include three recent science fiction and fantasy films and one Beatles classic. The new offerings, available in both VHS and Beta videocassette formats, are *Flash Gordon*, *The Island*, *Somewhere in Time*, and *Sergeant Pepper's Lonely Hearts Club Band*.

The Island (R, 113 min., 1980) is a super-thriller in which Michael Cain plays a newsmagazine reporter caught in a time warp while trying to unravel the puzzling mystery of the disappearance of ships from the Caribbean. *Somewhere in Time* (PG, 103 min., 1980), a time-travel love story, stars Christopher Reeve. *Flash Gordon* (PG, 110 min., 1980) is, of course, an action-packed science fiction adventure. And *Sergeant Pepper's Lonely Hearts Club Band* is a delightful musical fantasy based on the Beatles album.

Bedtime for Bonzo—Circle No. 185 on product card

The Killers—Circle No. 186

Flash Gordon—Circle No. 187

The Island—Circle No. 188

Somewhere in Time—Circle No. 189

Sergeant Pepper's Lonely Hearts Club Band—Circle No. 190

Toshiba shows two new VCRs, CED videodisc machine

WAYNE, N.J.—Toshiba America introduces two remote-control Beta VCRs and a wireless remote controller and reports its CED videodisc player will be shipped soon.

Toshiba's two new Beta format VCRs are four-head, five-hour units that can be programmed to record up to eight shows over a two-week period. The two additional heads reproduce remarkably clear images in the pause/still and variable slow motion functions on both units, says the firm. The circuitry and additional heads totally eliminate all electronic noise, irritating static and flickering on the screen.

Model V-8500 is a home unit that lists among its special features visual Superscan at 40 times normal speed, visual Betascan at 17 times normal speed, and a visual double-speed function. The full function remote control offers play, visual forward, visual rewind, pause/still two time visual fast forward, frame by frame forward, and variable slow motion. It also has full electronic tuning, solenoid controls, and blue fluorescent digital clock readout. Suggested retail is \$1,495.

Model V-9035 is for the video enthusiast on the move. The tape deck, which comes with separate tuner-timer, weighs just 6 lbs., 13 oz. (with battery), and measures 10.9 inches by 4.5 inches by 10.4 inches. The portable V-9035 features electronic tuning solenoid touch controls and

full-function remote control, along with a battery recharge function built into the timer for added efficiency. The unit also offers variable slow motion both forward and reverse and includes visual Betascan at 17 times normal speed and double speed visual fast forward. Suggested retail is \$1,545.

The Model VR-800 wireless remote control system allows current owners of Toshiba's Model V-800 VCR and the two new introductions to operate their VCRs remotely without wires. This optional accessory will carry an approximate retail price of \$100.

The firm also reports its CED videodisc player, which debuted at the Winter CES, will be shipped in August. The unit will retail for \$525. The VP-100 is a wired remote control system. It has a playing time of one hour per side and offers a search button to advance the picture at 2.5 times normal speed, a visual search super scan function at 12 times normal speed, and a non-visual rapid access at 180 times normal speed. This unit is stereo ready. Its built-in adaptor jack will enable the VP 100 to be converted to stereo, once stereo software is available, via the purchase of an adaptor package.

V-8500—Circle No. 264 on product card

V-9035—Circle No. 265

VP-100—Circle No. 266



Toshiba VP-100 video disc system

Home Theatre offers rental plan

HOLLYWOOD—A rental plan for the more than 40 *Show Me How* videocassettes in the Home Theatre library has been devised.

Under the terms of the plan, authorized retailers will be permitted to rent any of the cassettes in the library, and will retain 100 percent of the rental revenue after giving up five percent of their discount.

The plan, according to Dran May, vice president, marketing, is similar to the one used by Paramount Pictures, which adds to the retail price in order to make up for

potential revenues lost through rentals.

The *Show Me How* cassettes are part of a library of 250 "How-To" programs currently in production by Cinema Associates, Seattle, Wash. Among the more popular programs in the series are *Aerobic Dancing* featuring Melinda Field, and *Learning Massage* and *Basic Car Care* with syndicated columnist Ray Hill. The instructional programs carry a suggested retail price of \$50.

Show Me How—Circle No. 167 on product card

Stores can duplicate master tapes under Cable Films plan

KANSAS CITY, Mo.—In-store duplication rights to master tapes of 50 motion pictures, copied directly from broadcast-quality 16mm prints, are available now to video stores and software dealers.

Any video outlet may legally reproduce the movies from master

tapes to 1/2-inch VHS or Beta formats for subsequent rental or re-sale to customers, say Cable Films, originators of the program.

Cable Films calls the concept its Master Tape Program plan. The firm guarantees all master tapes are from an original film-chain 16mm

television print. Cable Films says the concept should be accepted as a merchandising tool by retail stores to aid in the promotion and sale of related video merchandise to the consumer such as blank tape, cameras or projection equipment.

Among the 50 titles offered are

Farewell to Arms, starring Gary Cooper and Helen Hayes, and *Gulliver's Travels*, the classic animated fantasy of Lilliput, and *Phantom of the Opera* with Lon Chaney Sr.

Master Program—Circle No. 244 on product card

Video Box Office

PRESENTS

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OCTAMAN, Kerwin Mathews, Pier Angeli, Jeff Morrow.



THE SEVERED ARM, Deborah Walley, Paul Carr.



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SHARK, Burt Reynolds, Barry Sullivan, Arthur Kennedy, Silvia Pinal.



A REASON TO LIVE, A REASON TO DIE, Massacre at Ft. Holman, James Coburn, Telly Savalas.

All MOVIES AVAILABLE IN VHS · BETA · U-MATIC AND INTRODUCING THE 1/4" TECHNICOLOR FORMAT. DEALERS AND DISTRIBUTORS WANTED FOR THE HOTTEST PRERECORDED MOVIE LINE TO BE INTRODUCED IN 1981.

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Hitachi aims for major share of U.S. market

COMPTON, Calif.—Hitachi, a company so huge that it has been called the Sleeping Giant and the "GE of Japan," is launching an all-out campaign to capture as big a chunk of the American electronic market as it enjoys in its native land.

The three-pronged attack—in video, audio and personal electronics—begins with a sweeping introduction of advanced new products in all three categories at the Summer Consumer Electronics Show in Chicago.

The assault will be fueled, the company says, with millions of dollars' worth of advertising over the months ahead—plus a variety of hard-hitting campaigns to convince the customer that he should buy Hitachi, and to persuade the dealer to push the brand.

In its new lineup of television receivers, Hitachi is emphasizing design techniques that employ fewer parts for greater reliability, plus a unique color control system called Signal Tracker which it flatly declares is the best such system in the industry.

At a press briefing held just

before CES, the company demonstrated the Signal Tracker system by comparing the picture it produced on a new Hitachi set with pictures of the same material being shown simultaneously on color receivers of competitive brands.

A special test tape was used in the demonstration. And dealers, no doubt, will soon be given similar demos so they can judge the quality of the Signal Tracker system for themselves.

Hitachi also says it has succeeded in developing a new video chassis that is 21 percent smaller than those of its competitors, and uses 21 percent fewer parts. This development, the company believes, will result in a dramatic reduction in maintenance problems and service calls.

In all, the new Hitachi color line consists of two 25-inch receivers and half a dozen 19-inch models. Some of the units are equipped with remote control and random/sequential channel selection, and one is a 105-channel cable-ready model. There are also two new 12-inch black-and-white receivers with electronic tuning.

Hitachi is also proud of the engineering that has gone into its videocassette recorders—so proud, in fact, that it is announcing a full two-year warranty on the heads of its videotape machines. Up to now, such a warranty has been "unheard of in the industry," asserts the firm.

Meanwhile, the company is putting the final touches on a new portable color camera, the VK-C600, scheduled for delivery in July. It will be 20 percent smaller and 15 percent lighter than Hitachi's current VK-C770 and will feature a new M-type vidicon and a 6X power zoom lens.

To round out its video offerings for CES, Hitachi announces that its CED videodisc player—shown for the first time last January at Winter CES in Las Vegas—is all set for a June delivery. The unit has an audio output jack, ready for a stereo adaptor when stereo CED discs become available, plus optional remote control. Suggested retail price is \$525.

Hitachi—Circle No. 297 on product card



Scene from Kagemusha

Magnetic Video releases three major features

FARMINGTON HILLS, Mich.—Magnetic Video reports that three recent theatrical feature films are among 10 new releases available for distribution on Beta or VHS prerecorded videocassettes.

The three titles include *A Change of Seasons*, *Inside Moves*, and *Kagemusha*.

A Change of Seasons stars Shirley McLaine, Anthony Hopkins and Bo Derek. *Inside Moves* features John Savage, David Morse and Diana Scarwid, who won an Academy Award nominee for best supporting actress. *Kagemusha* is a recent Academy Award nominee for best Foreign Film of the Year.

Other releases include two classic Gilbert and Sullivan light operas: *H.M.S. Pinafore* and *The Yeoman of the Guard*. Also scheduled for release are *Giselle*, starring Rudolf Nureyev; *The Dancing Princess* with Jim Dale; Ivor Novello's *The Dancing Years*; and two theatrical films about two very special women, *Jenny* with Marlo Thomas and Alan Alda, and *Candy* with Charles Aznavour, Marlon Brando and Richard Burton.

Magnetic Video releases—Circle No. 245 on product card

25 new titles offered by Video Communications

TULSA, Okla.—Video Communications, Inc. (VCI) announces the acquisition of 25 new film titles from Gold Key Entertainment, a division of Vidronics.

The new packages brings VCI's total inventory of motion pictures "to well over 600 titles," reports executive vice president, Robert Blair.

Films in the new package include *Barnaby and Me*, starring Sid Caesar and Juliet Mills; *Demon*

with Cameron Mitchell and Jennifer Holloway; *One Man Jury* with Jack Palance; and *Goodbye Franklin High*, *The Toolbox Murders* and *Supervan*. Release schedules are to be announced.

VCI also announces that 50 of its current general entertainment titles now are being released with Spanish soundtracks. Titles offered in Spanish include *Dark Star*, *The Family*, *Swiss Conspiracy* and *The Life and Times of Grizzly Adams*.

Video Communications Co. releases general entertainment and religious/inspirational programming in all major video formats, including disc and 1/4-inch videotape.

The firm has formed a new division to market these titles.

VCI video programming—Circle No. 347 on product card
Inspirational Titles—Circle No. 348

HOME THEATRE

VIDEO CASSETTES NOW AVAILABLE

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- Fly Fishing
- How to Buy a Home
- Indoor Plants
- Basic Car Care
- Make-up for Women
- Accupressure
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- Training Your Dog
- Home Exercise for Women
- Belly Dancing for Beginners
- Improve Your Golf Game
- The Fundamentals of Tennis
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- Kundalini & Therapeutic Yoga
- Interior House Painting
- Making Basic Plumbing Repairs
- Contemporary Crochet Made Simple

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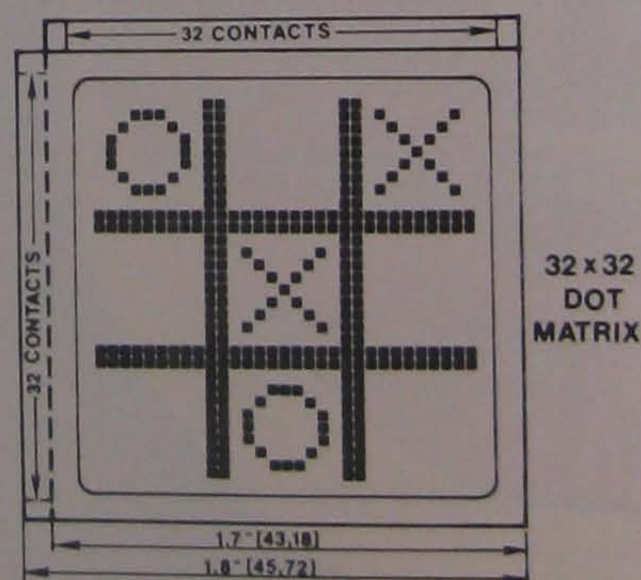
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Circle No. 22 on product card

New 'Collectibles' from VidAmerica

NEW YORK—VidAmerica announces the addition of five new titles to its line of home video programming, "The Collectibles."

The five properties obtained include *The Golden Age of Comedy*, a collection of comedy film clips from the silent movie era; *The Lincoln Conspiracy*, a docu-drama about the assassination of Abraham Lincoln; *The French Woman*, an erotic suspense thriller; *Worth the Wait*, from Major League baseball highlighting last year's World Series and All-Star Game; and *Summer Heat*, a sensuous adult film.

The Collectibles—Circle No. 263 on product card

\$24.95 adaptor will convert television sound to stereo

SAN DIEGO, Calif.—Total Video Supply (TVS) announces the introduction of the SA-100 TV Stereo Adaptor, which converts monophonic television audio signals into stereo signals that can be played through any home hi-fi system.

The adaptor is small and attractive, and does its job safely and simply, TVS says. A single lead attaches to the earphone jack of a TV set, and a circuit board inside the SA-100 converts the signal to stereo. Twin leads with phono jacks

plug into the auxiliary inputs of a stereo amplifier or receiver, and volume is controlled with a rotary control on the adaptor.

The SA-100 is 5½ inches long and is black with brown plastic cap ends. It is "a perfect complement to the nationally famous VideoMate series RF signal switchers," its manufacturer says. Suggested retail price is \$24.95.

Stereo Adaptor—Circle No. 231 on product card



Total Video Supply's TV stereo adaptor

VBO introduces 1/4-inch software

MIAMI—Video Box Office announces prerecorded software for the Technicolor 1/4-inch video cassette recorder.

The North Miami Beach-based firm has 12 full-length feature movies available for the 1/4-inch



Some VBO selections

format, with more than 70 other titles scheduled to be released in coming months.

The audio cassette-size tapes are offered in attractive and durable four-color packaging, and will sell at a suggested retail price of \$49.95. Video Box Office will officially introduce the software library at the summer CES in Chicago, and will distribute the line through a national distribution network.

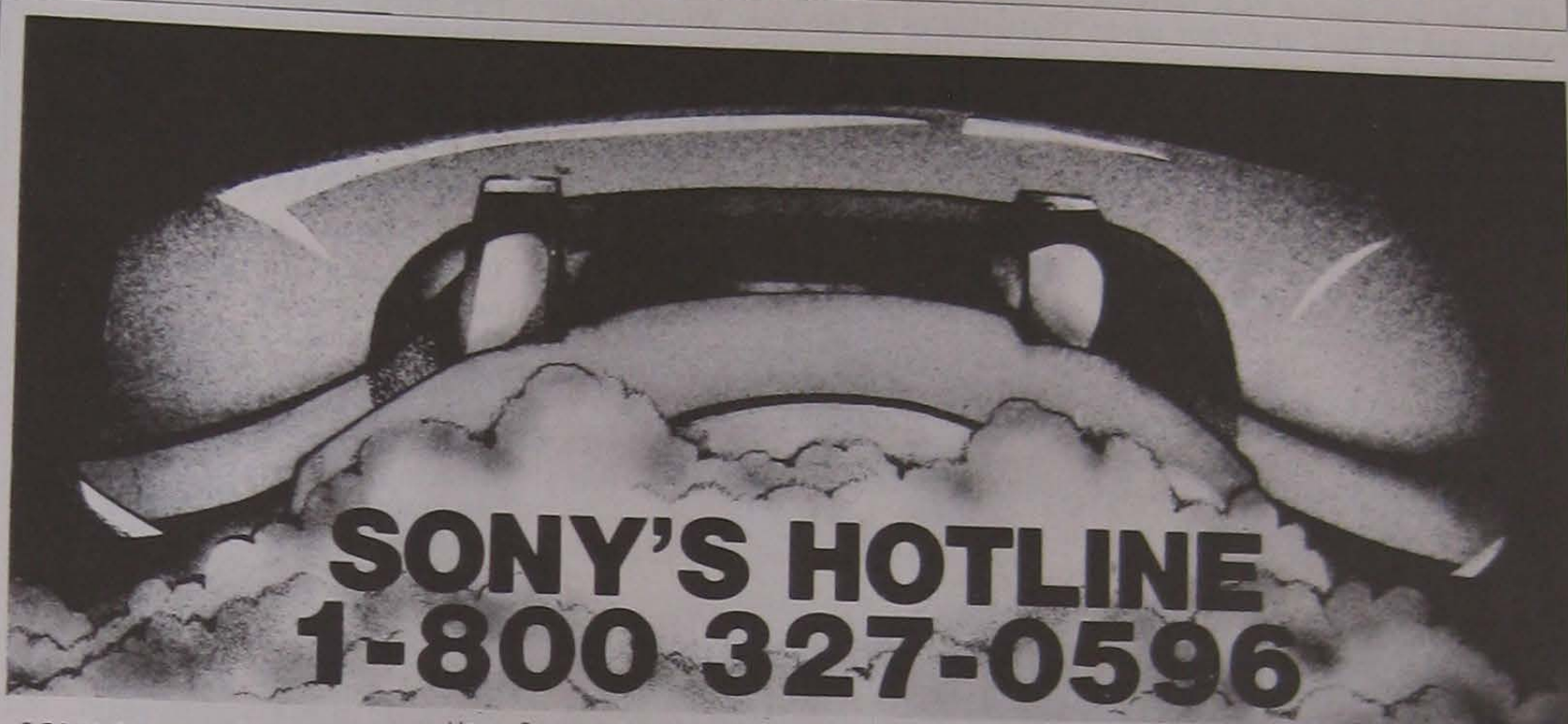
Video Box Office—Circle No. 262 on product card

AVC has full line of adult cassettes

NORTHRIDGE, Calif.—AVC (Adult Video Corporation) offers an extensive line of adult videotapes.

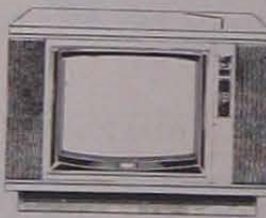
"The hottest, sexiest, most beautiful stars in the adult entertainment field, acting out, with their partners, the most stimulating and imaginative situations" are offered in five dozen titles.

Adult tapes—Circle No. 219 on product card



SONY Color TV's Priced Below Dealer's Cost

KV-4000
KV-5200
KV-8100
KV-9400
KV-1206
KV-1217
KV-1221R
KV-1514
KV-1543R
KV-1545R
KV-1714
KV-1743R
KV-1912
KV-1913
KV-1914
KV-1923
KV-1943R
KV-1945R
KV-2601
KV-2643R
KV-2645RS



SONY Black & White Priced Below Dealer's Cost

FX-412
FX-414
TV-413
TV-513
TV-790



SONY Projection TV's Priced Below Dealer's Cost

KP-5000
KP-7200
KP-5020
KP-7020



SONY Video Recorders Priced Below Dealer's Cost

Home
SL-5400
SL-5600
SL-5800
Portable
SL-3000
TT-3000



SONY Video Tapes Priced Below Dealer's Cost

L-500
L-250
L-750
L-830



VHS Tape T-120
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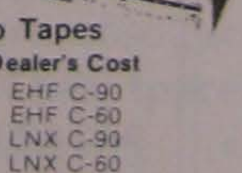
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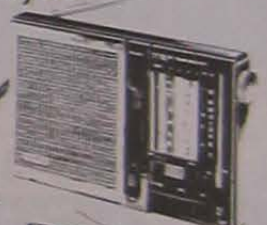
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ICF-6700W
ICF-8650
CRF-1
CRF-330K
TR-3230
TFM-6060W
ICF-3860W
TFM-6160W
TFM-7720W
ICF-7740W
ICF-S5W
ICF-7500W
ICF-M10W
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SRF-80W
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Circle No. 23 on product card

GE introduces portable VCR, improves Widescreen system

NEW YORK—General Electric Television expands its line of VHS video cassette recorders, unveiling a portable unit and a new camera; announces significant improvements in its Widescreen projection television system; and adds Superband cable tuning capabilities to 11 sets in the line.

The company introduces three new VCRs. At the top end is GE's first four-head unit, the 1VCR201-4W. The 2 1/4/6-hour VCR features video scan in the 2 or 6-hour mode as well as slow motion, quick motion, freeze frame and frame advance.

In the portable area, GE's first entry is the 1CVP2020X, a 2 1/4/6-hour VHS unit weighing in at 13 pounds. This unit has rechargeable battery, features video scan in forward or reverse, offers freeze frame with frame advance, and has a wired four-function remote for video scan, pause, still and frame advance. The companion tuner/timer unit has an 8-program, 14-day timer and 14-channel tuner.

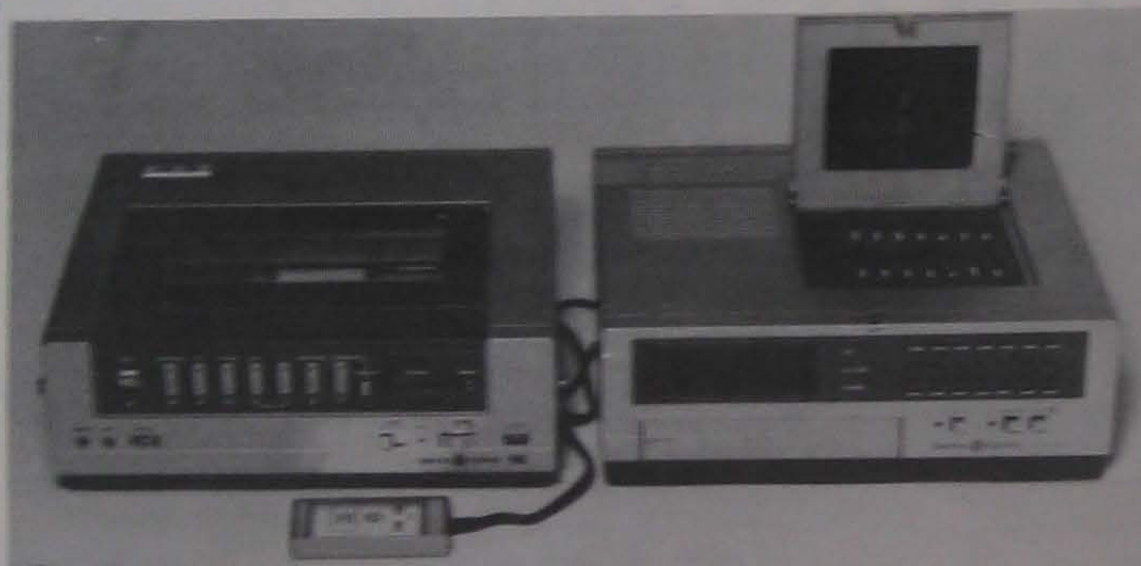
GE also introduces its first color

video camera, model 1CVC2030E, featuring a 6-to-1, 2-speed power zoom and a fast f1.4 macro lens that can focus on objects only 2-inches away. Completing GE's VCR line-up for '82 is a basic 2/6-hour VHS unit, Model 1VCR2002X, with 12-channel electronic tuning and single-program 24-hour timer.

In Widescreen television, the firm announces the addition of stereo, audio and video jacks, Superband tuning and cob filter electronics in the new Widescreen 4000 home entertainment center.

In regular television products, GE offers Superband tuning in 11 models: two 19-inch sets, eight 25-inch sets, as well as in the Widescreen. This feature allows consumers to connect the cable directly and receive up to 35 channels of unscrambled, compatible TV without the converter box.

VCRs—Circle No. 253 on product card
Widescreen 4000—Circle No. 254
Televisions—Circle No. 255



GE's new portable VCR with remote control



TVS head-cleaning kit expands firm's line.

TVS updates accessories line

SAN DIEGO, Calif.—TVS (Total Video Supply Co.) announces bright new packaging for its M-106 Video Head Cleaning Kit and its extensive line of custom-fitted dust covers for videocassette recorders.

The packaging of the Head Cleaning Kit "has been revised to integrate with the packaging motif of the company's three accessory merchandising racks," TVS reports. Each of its VCR dust covers, the firm adds, "now comes in a sturdy, attractive box suitable for pegboard systems. The silver, red and blue box features a full-color photo of the covers against a black background. The reverse side of the box contains a complete list of covers to fit over 50 models of VCRs so that consumers may easily identify the cover that fits their needs."

TVS—Circle No. 181 on product card

Movies highlight Media Home titles

LOS ANGELES—Newly released prerecorded videocassettes from Media Home Entertainment include three feature films: *Can I Do It*, *Til I Need Glasses*, starring Robin Williams of "Mork & Mindy;" *The Wicker Man*; and *The Death of Che Guevara*.

The new offerings also include two rock music concerts, five animated and children's titles, and six additions to Media's Spanish catalogue.

The concerts are *James Brown Live in Concert* and *Alice Cooper and Friends*. The animated and children's features are *Captain Future in Space*, *Little Lulu*, *Angel Fables of the Green Forest*, and *Spunky & the Tadpole Adventure*.

The newly released Spanish films are *The Death of Che Guevara*, *Sundown*, *I'm Lonely Without You*, *I Don't Care for Women*, *Wife Mistress* and *Girls Review*.

Films—Circle No. 197 on product card

Concerts—Circle No. 198

Spanish Films—Circle No. 199

NFL Films has football action

MOUNT LAUREL, N.J.—NFL Films Video introduces several new programs which highlight the 1980 National Football League season.

The new programs are *Saviors, Saints, and Sinners*, a 50-minute summary of the entire 1980 season; *Cinderella Super Bowl*, a 24-minute analysis of the game that contains footage never before seen on television; and *Great Teams/Great*



Years Volume One, highlights that chronicle the accomplishments of the 1968 Super Bowl Champion New York Jets and the 1973 Buffalo Bills, a team that set the all-time 14 game season rushing record.

Additionally, 1980 team highlights, all 24 minutes in length, are offered for the Oakland Raiders, Dallas Cowboys, Houston Oilers, Seattle Seahawks, Cleveland Browns and San Diego Chargers.

NFL Films—Circle No. 261 on product card

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Circle No. 25 on product card

Showtime has a portable package for the traveling videophile

TILLAMOOK, Ore.—Showtime Video Ventures offers the Video Travelall for the videophile "who's frustrated by a lack of mobility and convenience."

The Video Travelall features a strong lightweight cart, a detachable multi-compartment backpack, and a unique camera support arm that swivels from the backpack frame that holds the camera in the shooting position.

The entire system operates on 110 v ac or 12 v dc and comes with a

tripod attached to the cart for stable shooting even on rough terrain.

Showtime Video Ventures also announces it has revised and improved its existing line and plans to introduce several new items at CES. Video amplifiers, RF switches, stabilizers and image enhancers will all be on display.

Travelall—Circle No. 246 on product card
Other accessories—Circle No. 247



Showtime Video Ventures accessories.

Frank Field has new KVC series

NEWPORT BEACH, Calif.—Karl Video Corporation has acquired from NBC seven of the Dr. Frank Field Test Shows for distribution to the home video market.

The first tapes to be distributed exclusively under the KVC Mid-Vid banner are three award-winning NBC television specials called Test Shows, as hosted by physician and newsman Dr. Frank Field.

The three test shows and new KVC titles, each one hour long, are *The Great American Diet and Nutrition Test*, *The Sex and Love Test* and *The Marriage and Divorce Test*.

These highly informative and interesting Test Shows were part of a lengthy series presented by NBC and broadcast by WNBC-TV in New York. The shows were a recipient of and nominated three times for an Emmy Award. Several of the Test Shows were reprinted in six different issues of *Reader's Digest*.

Test Shows—Circle No. 183 on product card

Get cable-ready, Sharp exec says

PARAMUS, N.J.—Your next television customer could save enough money to pay for his new set if he is willing to spend a few extra dollars on a cable-ready model.

That potentially profitable sales hint comes from Charles King, marketing services manager for television and videocassette recorders at Sharp.

After a survey of the fees charged for cable converters by 15 top TV cable companies, says King, Sharp concluded that approximately \$3.50 a month in savings could be passed on to each customer who owns a cable-ready set. That totals up to savings of \$42 per year.

Sharp is one of the few major television manufacturers now marketing cable-ready TV receivers.

Cable-ready TV—Circle No. 168 on product card

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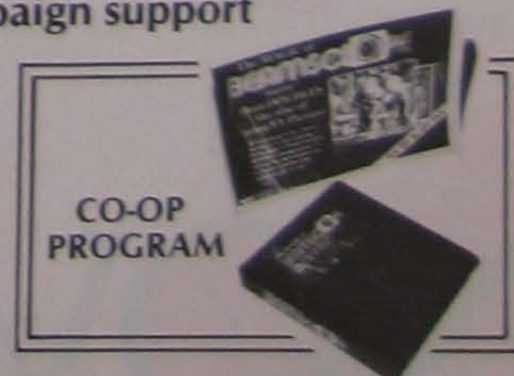
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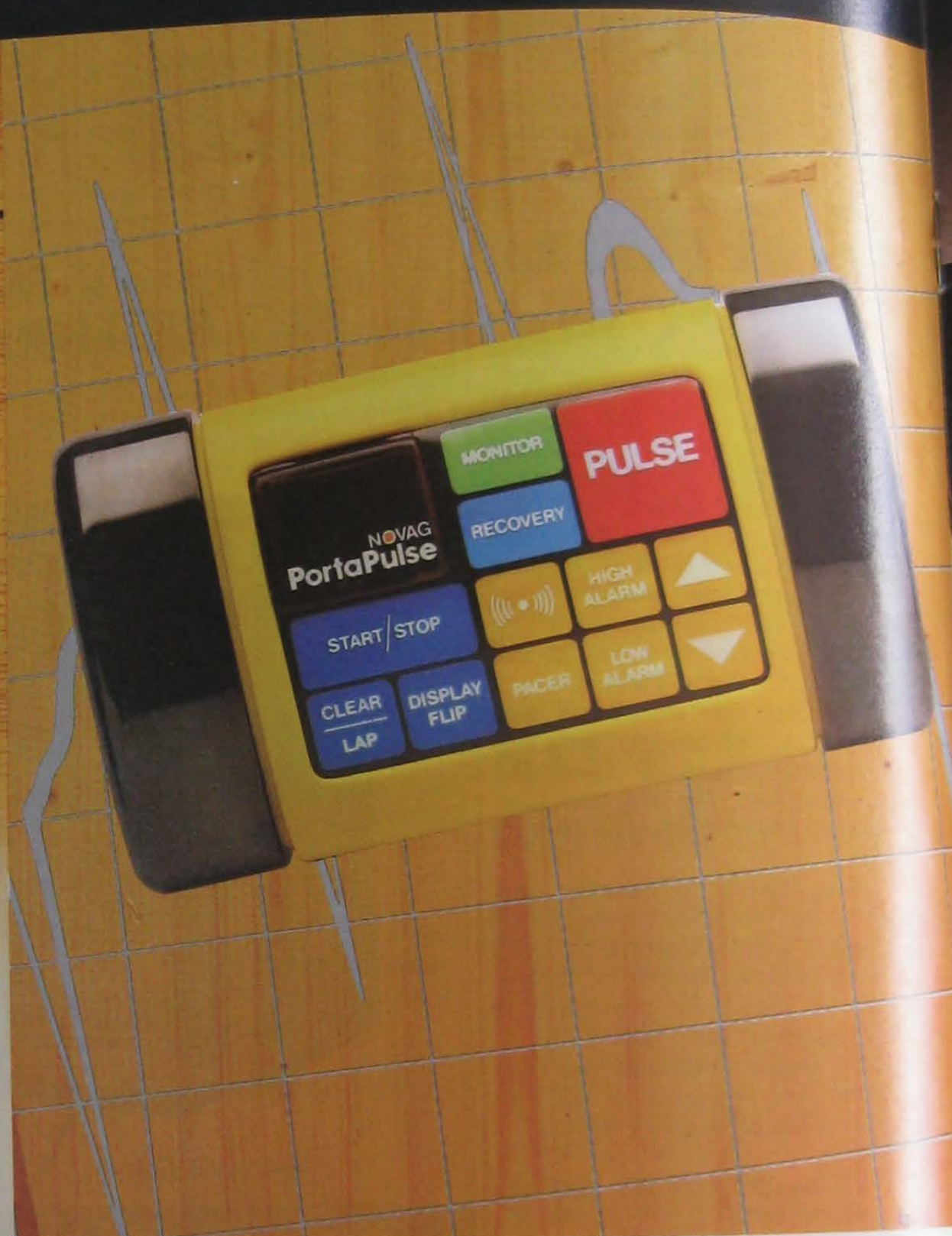
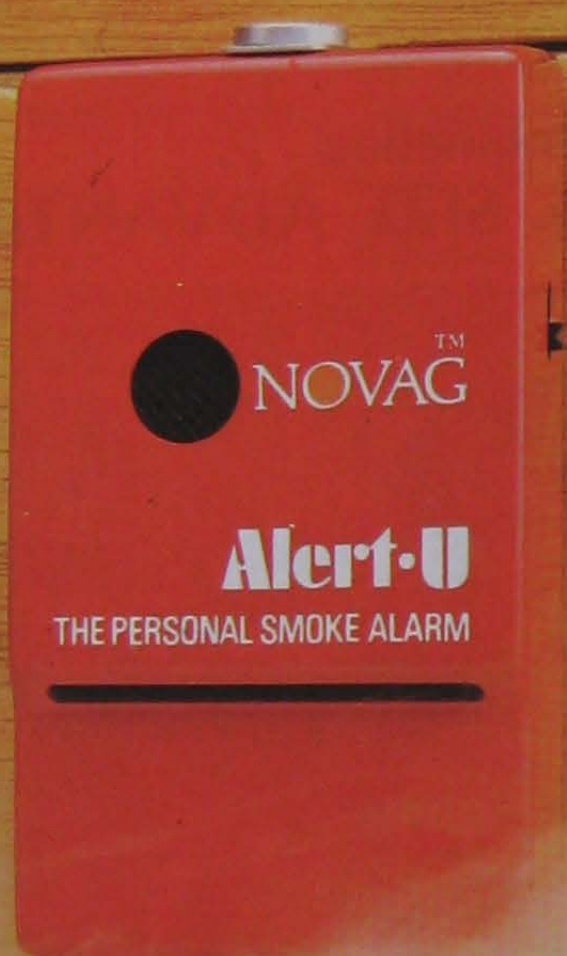


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Circle No. 26 on product card

SMALL PRODUCTS: BIG PROTECTION



ALERT-U™ Now there's a palm-sized portable smoke alarm that detects **SMOLDERING** fires — the most common home/hotel type. Easy and convenient to use, the ALERT-U™ travels with you for protection and security at all times.

Incorporating the latest photoelectric detectors (and *not* the unreliable ionization process) the ALERT-U™ gives you instant, effective warning of smoke and toxic fumes released from so many man-made fabrics in homes/hotels.



The ALERT-U™ tests the air *every 2 seconds* (conventional household battery fire alarms do so only every 15-20 seconds), and a new patent applied for design allows it to give off an extra-loud alarm sound (min. 85dB) when activated.

For added convenience, there's a test button, and built-in clip for easy hanging on picture-frames or door tops. Absolutely no installation necessary.

Big protection from NOVAG™.

PortaPulse™ is a palm-sized electronic pulse monitoring "fitness computer" that monitors your physical fitness and eliminates the risk of overstrain during jogging, tennis, ball games, skiing, and all active sports. PortaPulse™ comes with control functions and quartz stopwatch, suitable for all ages.

Accurate pulse readings are obtained *while you exercise* by either holding its two polished chrome hand-grips or by wearing the chest strap (a standard accessory). Read-outs either acoustic beep tones or by LED display.

PortaPulse™ lets you *optimize your exercise* by setting pulse high/low rates. Should these be exceeded PortaPulse™ tells you to speed up or slow down. Its built-in recovery timer lets you take your pulse at precise intervals after exercise is complete, so you know the faster your recovery the better shape you are in. While the *pacer* beeps at adjustable intervals making it easy for you to keep to a set rhythm. You can even time races or exercises with the built-in quartz stopwatch with lap and clear functions.

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Remote control is added to Magnavision videodisc system

KNOXVILLE, Tenn.—Magnavox will introduce a new remote controlled Magnavision videodisc player at the Summer Consumer Electronics Show.

Magnavision model 8005 features a new hand held wireless infrared remote transmitter that permits armchair control of such special effects as fast and slow forward, still frame, frame-by-frame forward and reverse, search forward and reverse and indexing for frame and chapter.

The remote transmitter displays

functional contemporary styling that complements the Magnavision design.

Magnavision model 8005 also will feature an automatic special effects defeat function. This fail safe system will prevent picture deterioration in the event the special effects (except picture search) are accidentally engaged.

Magnavision was the first product of its kind in the world. It uses a laser-optical system that projects a beam of light to produce TV pictures from a videodisc. The

plastic-coated videodiscs produced for Magnavision are almost immune to surface scratches, dust and fingerprints.

The Magnavision model 8005 will be available at Magnavox dealers in July. It will carry a suggested retail price of \$769. The non-remote Magnavision model 8000 will continue to be available at its suggested retail price of \$699.

Magnavision 8005—Circle No. 285 on product card
Model 8000 —Circle No. 286



Magnavox 8005 disc player



RF/SYNCALIZER MODEL VV-S-7/RF

For those needing low-cost video processing, primarily for single-VCR systems, Showtime presents a Roll-Controller combined with a complete RF converter stage. The vertical sync modifications of some over-zealous copyguard methods can result in uncontrolled roll. But now you can straighten things up instantly. Thanks to the new vertical sync correction circuitry in this all-in-one unit, rolling is a thing of the past. Then, the processed and corrected video signal is converted back to the RF signal that your TV needs for viewing.

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MINI-ENHANCER

*The BIG answer
in the little package!*

The world is doing more portable video recording than ever before — 40% of all VCR's produced this year will be portable models. However, the sub-par quality of video camera recording has been a major drawback — until now. For Pro-Quality Image Enhancement coupled with minimum size and maximum durability, the new MINI-ENHANCER from Showtime fills the bill.

With features like: Full-enhancement circuitry; Accessible ENHANCE and RESPONSE adjustments to suit any system; a Momentary BYPASS switch for instant, glitch-less enhanced-to-unenhanced signal comparison; and a Video Line Amp that allows up to 50-ft. camera cable extension without signal loss. A tiny (1 1/4" H x 1 1/2" W x 8 3/4" L) and rugged metal enclosure, the new VV-277P comes equipped with standard 10-pin camera and VCR connectors. Suddenly, un-enhanced portable recording is obsolete.

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COLOR PROCESSOR (PROC AMP) MODEL VV-777P

State of the Art videocassette color correcting is now available in a compact, affordable processing amplifier. You have complete, creative control of all phases of a color or black & white picture with a front panel selector switch and four separate variable adjustments:

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Circle No. 42 on product card

Sanyo bows 3 VCRs, new disc

COMPTON, Calif.—Sanyo introduces a CED videodisc player and three new videocassette recorders, one an ultra-lightweight portable model.

The disc player, the VDR3000, starts operating automatically when a video record caddy is inserted and the caddy is pulled out. The machine also features a three-motor, quartz-lock drive systems and light-touch pushbuttons for easy control.

Rapid search is possible at either 12 or 40 times normal speed, and a fast-search mode—without picture—can also be employed by using a built-in digital elapsed speed counter.

Sanyo's three new VCRs are all Beta-format units. The full-size models feature feather-touch controls; two-speed operation with up to 50 percent longer recording time in the slow mode; and a three-motor, quartz-locked tape transport for improved tape speed and picture stability. Their suggested retail prices are \$895 and \$995.

The new portable VCR, the VPR4800, weighs 8 1/4 pounds and features both Betascan and frame-by-frame advance. An optional compact color camera, and an optional seven-day-programmable mini-tuner/timer designed to match the unit are available. Used with the VCR, they form a compact matched system for making video movies either at home or away.

The portable VCR carries a suggested retail price of \$1,045, the tuner/timer lists for \$350, and the camera is priced to sell for \$1,195.

Features of the mini-VCR include two-speed capability for up to five hours of recording and feather-touch controls.

Sanyo video—Circle No. 349 on product card



Sanyo VCR 4300

Leisure electronics: The future is right now

By David Feir
Senior Vice President,
BSR (USA) Ltd.

We're in the midst of a revolution: an audio revolution; a home entertainment revolution which is going to affect all of us in the near future. The whole pattern of audio and video is changing very erratically. Our business used to be evolutionary and change very slowly. Now it is changing very rapidly with the advancement of technology.

It was only a short time ago when monoral sound was the key to our listening habits, when TV was black-and-white, small-screen and very expensive, when high fidelity



S. David Feir

as we know it today was limited to only the very esoteric, when the average phonograph unit was a console in the living room.

No one had heard of computerized games; no one had heard of computers. And then, suddenly, things started to blossom out on the horizon. From mono we went to stereo, a very major breakthrough. Today technology has improved to a point where the average consumer is able to buy a hi-fi quality receiver loaded with features which were formerly only available on extremely high-quality audio components.

The Energy Crisis

The revolution that has taken place has had a lot to do with the energy crisis. People are afraid to travel now and are staying close to home because of the cost of gasoline and the cost of traveling. So they want to stay home and enjoy some of the amenities of life such as audio, TV, TV games.

Another thing to consider is that people have begun growing up with hi-fi and TV as a way of life, so that these products are no longer a luxury. They're a necessity: Audio for the sound that it brings to people's lives, video for both educational value and entertainment value, and games for amusement in the home.

And as you examine these products, you find that they tend to bring people closer; they tend to bring the family closer, because now all kinds of entertainment are available at home.

With the advent of micro-computer and microprocessor tech-

nology, something else that is very important will happen. Instead of having individual pieces as we have today—a separate television, a separate audio receiver, a separate video tape recorder, a separate TV game—everything will be on a wall. A large, flat-screen television will be on the wall, and people will be able to plug in various other components, such as an audio sound system, videotape recorders, a disc player, TV games—and also, eventually, home computers which will enable people to do their banking, shopping, get all their news and information at home right in the comfort of their living room.

The ramifications of all this leisure-time technology boggles the mind because, in my opinion, the extent of this technological advancement is unlimited by the ability of the engineers to design the equipment.

Can you imagine being able to talk into a piece of equipment, such as your television or your audio system, and having it answer back to you and perform the commands you tell it to? That's just on the horizon; and it's only one indication of the revolution of electronics that we are going through.

After all, it was only 50 years ago since the first superheterodyne radio was developed. Just think of it! Only 50 years ago. And look how far we've come in the last 10 years! And now just think of what may happen in the next five or 10 years—because with microprocessor chips, anything and everything is possible in the world of electronics.

Now look at what's happening in TV and in audio and in computers. Technology breeds technology. Advancement breeds advancement. We will see things coming soon that

we've never dreamt about—or at least never thought would be a possibility. But they will become a reality very soon. And my feeling is that the coming generation, who are actually the customers of tomorrow, will be very turned on to all these electronic devices for the home. They will want them; they will need them because it will be their way of life. And in turn they will be better educated, especially with the coming age of computerization, which should make this a much better world to live in because communication is so very important.

As people discover each other, as people learn to live with each other,

be the difference between failure and success.

So the possibilities of the electronic leisure-time part of our industry extend as far as the imagination can take you. There is no limit to where we can go as an industry. We, all of us who are involved in the manufacturing and sale and distribution of this equipment, have to recognize the great potential that exists. And we have to be responsive to these needs. We have to train our salespeople to recognize and understand these products, because you cannot sell a product—no one can sell a product—if you don't understand the product. So sales

"Our business is now changing very rapidly with the advancement of technology."—David Feir, BSR

the possibilities of holocausts and wars will diminish. They will be less likely to happen than they used to be, when communication was a very big problem. Still another factor to consider is that people are working less. Years ago, people worked six days a week; 48 hours was normal. Then it went to five days a week and 40 hours. Then it went to 35, in most cases, and now it's going to a four-day week in a lot of cases. People have more time to spend in leisure-time activities, which makes all these products that we are involved in—these electronic products—so viable and so formidable.

For companies in this business, the ability to recognize the needs of the market and come out with products to supply those needs will

training becomes very important.

The ability to sell the product on the floor to the consumer becomes very important because that's where the battles are really won and lost. The proper means of advertising the products so that people become aware of them are very important.

What's Ahead

I foresee a great future in this industry for all of us. A very exciting future. A future that will catapult us to new heights. And I would only hope that those of us who are involved in this field also can recognize the future and take full advantage of it, because it will represent a better way of life for all of us. ■

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Circle No. 28 on product card

Cordless telephones are sales leaders

Cover Story

Continued from Page 1
several hundred feet.

"Cordless sales have gone far beyond our expectations," says Larry Reichenstein, vice president of the Webcor division of Leisurecraft products. "If someone had told me three or four months ago that as many as 800,000 cordless phones will be sold this year alone, I wouldn't have believed it. But based on orders that have been coming in, I'd say it's very do-able."

Cordless telephones are outselling others by a margin of three to one at Computique, a Los Angeles chain of eight electronic specialty stores stocking computers, calculators, digital watches, and answering machines in addition to telephones.

"We have a set area for each kind of merchandise and allot about



ITT cordless telephone—Circle No. 333

three feet of shelf space to GTE telephones and the cordless Elcom models," says Raul Trillo, manager of the store in the mid-Wilshire district. Models also are displayed on top of tables for customer inspection.

"We have been carrying telephones for three years and find they're a pretty constant item year around, and the margin is good compared to other electronic items," Trillo comments. The Computique stores maintain what he calls a moderate inventory of one to show and three to go.

Some retailers credit two FCC actions for a recent spurt in sales to customers. Beginning this spring, telephone companies are required to "unbundle" rates, or tell customers exactly how much they pay each month to rent a company-supplied telephone. By next year, subscribers will be offered the opportunity to buy the instruments they now rent, and that action is expected to be another stimulus for sales, particularly of feature phones.

"Our business couldn't be better.



Zoom Telephonics silencer cord—Circle No. 334

"Telephone sales are a pretty constant item year around."—Raul Trillo, Computique manager, Los Angeles

As the telephone rates go up, as they did here recently, and as people become aware of what they're paying for, they come in and buy telephones," says Harvey Stuart, manager of The Phone Booth in New York City. "The business is not seasonal," he adds, "but there was a definite increase just after the notices went out on the rental costs of telephone company instruments. At the current rate of sales, we will have a one third increase in volume this year."

Selling the telephones requires a lot of explanation, Stuart believes. "You have to go through each instrument, feature by feature, and explain what it does so that the customer will understand," he notes, "because there is little help from the manufacturer, and the distributor doesn't care about educating the customer."

Cordless Phones Popular

Cordless models are the sales leaders now at The Phone Booth, just as they are across the country at the Telephone Shop in Long Beach, Calif. "The cordless phones are just the thing for the suburban life, right along with answering machines. Automatic dialers, such as the Phone Controller or larger models, are another big item here. People use a dialer instead of a Rolodex file," comments Eric Knaus, ad-



Dictograph Just-A-Dialer—Circle No. 335

ministrative manager at the Telephone Shop.

"A crest is coming in another type of telephone item, at least in this area—the customer-owned key system for homes," Knaus continues. "There are a lot of small entrepreneurs in the area who may have two or three lines at home or run a line from office to home. Instead of paying \$400 installation and \$60 to \$300 a month in fees to General Telephone, they buy a \$2,000 key system that pays for itself in two or three years, maybe even less."

He agrees that "probably 70 per cent of the people don't know about the features of the telephones. You have to lead them by the hand. We learn about the telephones by checking out the ones in the store—we carry almost every brand—and also through our own service

department." In addition to cordless phones, the decorator types in European styles and the smaller models like the Zip phone are favorites among Telephone Shop customers, "who are mostly older people who are not oriented to character phones."

The Telephone Shop, which has been in business for 14 years, sees the communications industry as "about to ignite with new developments, and our business already is climbing steadily."

Distribution Spreading

Most of the telephone sales to date have been through boutiques or specialty shops, distributors report, but other types of outlets, including hardware and drug stores, are beginning to enter the telephone business in line with growing consumer interest. Distributors also agree that most of the volume has been in large metropolitan areas, a distribution pattern that now is spreading to wider geographical distribution.

One non-boutique finding success with a limited group of telephones is Caldor's, a large New England chain of discount stores. "We find telephone sales excellent," says Robert Cioppa, hardware buyer,

"People use an automatic dialer instead of a Rolodex file."—Eric Knauss, Telephone Shop, Calif.

who stocks chiefly basic desk models in his department. "Telephones have been in our stores for about three years and have been doing well. Our basic item is the standard rotary desk phone, although we also carry the ITT Ultra 80 and have handled the GTE FlipPhone, which we discontinued to replace with the Solitaire delivered." Cioppa says little



Western Electric S Series telephone. Circle No. 336

explanation is required "because most of the phones we stock are of the self-service type. Telephones are an exciting category with room for expansion."



Webcor Zip phone—Circle No. 337

Dialers, answering machines, and call diverters are among the best selling items at the Telephone Center, a loft store in New York City. "A lot of street business began to come in as soon as our ad appeared in the new Yellow Pages phone book," explains Charlie Elfassy, manager, "and most of the people are aware about owning their own telephones. Business got the message a long time ago, and now the citizen knows he can get a refurbished phone for \$25 or \$35 to save himself as much as \$10 a month if he happens to have several phones at home, especially if they are the Princess or Trimline types."

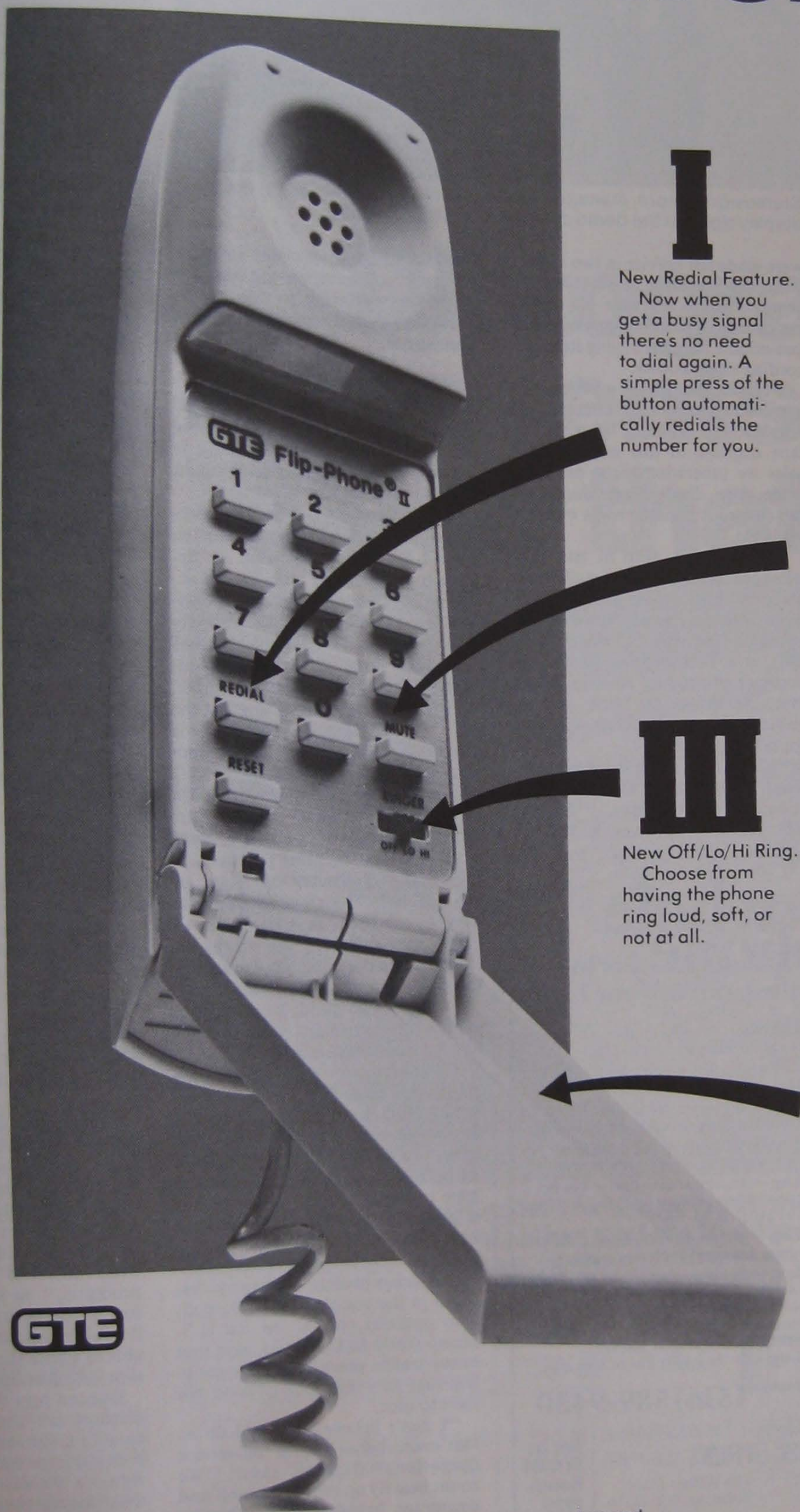
At 220 Telephone Supply, serving the metropolitan New York area, Eytam Lewis views the future as "unpredictable, but the business should boom next year when the rental phones are not the accepted thing from the telephone companies." In the telephone business for 15 years, 220 offers consumers a full 15 month guarantee on all the phones it sells, a service the store can offer because it maintains a staff of technicians. "Our biggest seller was the FlipPhone, but it is being replaced by a better and cheaper electronic model," Lewis adds.

Sales Training Lags

All of the retailers LEISURE TIME ELECTRONICS interviewed noted that manufacturers, usually selling through distributors, do little to train sales staffs about special features of the telephones or supply in-store merchandising materials, but the promotion area is another stage of transition for the own-your-own telephone business, according to manufacturers.

Continued on Page 47

FLIP-PHONE® II HAS IV NEW FEATURES.



GTE

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Now when you get a busy signal there's no need to dial again. A simple press of the button automatically redials the number for you.

II

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Keep this button depressed and the party on the other end of the line can't hear you. But you can still hear them.

III

New Off/Lo/Hi Ring.

Choose from having the phone ring loud, soft, or not at all.

IV

New Colors.

Choose from espresso brown, white, rust, almond, almond/rust two-tone, and almond/espresso brown two-tone.

There's also a fifth feature, but it isn't new at all (especially if you're familiar with the original Flip-Phone). And that's the way Flip-Phone II will move off your shelves.

Prominent tape displays equal more sales

Although they all may not see eye to eye on the specifics, the majority of audio and video tape dealers across the country contacted in a survey for LEISURE TIME ELECTRONICS believe firmly that the more prominently a product is displayed, the more it is going to sell.

Feedback from mass merchandisers and single-location record and tape stores alike make it clear that, despite the higher risk of pilferage, the self-service approach is by far the best stimulant to sales. Others believe in exercising greater control over the handling of products, particularly videocassettes, by displaying them in the counter or behind it.

Lee Berkowitz, owner of Good Vibrations, a Boston area record and tape chain, says that his four stores are selling considerably more audio and video tapes by making them more accessible to customers through self-service display racks.

Always A Risk

"There is always the risk of a certain amount of loss due to theft," he says. "However, if the displays are positioned well, that loss should be minimal."

Berkowitz says that video tape sales almost tripled when the cassettes were made easily accessible to customers and positioned near the audio tape display fixtures on the sales floor. A surge in sales also was noted in one of the stores when metal audio cassettes were moved from behind the counter to a self-service rack on the floor to test customer reaction.

"Readily accessible displays tend to heighten interest in a product," Berkowitz says, noting that there also has been an increase in the sale of prerecorded video tapes since they



Stereoworld store manager Richard McKinney (R) keeps the tape display right on the demo counter to encourage sales.

were made self-service in two stores.

Cassette displays in all Good Vibrations stores are near the checkout counter. Recording tape is a good last-minute impulse buying item, according to Berkowitz.

"These days, almost everyone has a recording device of one type or another," he explains. "Positioning tape displays in this way leads to sales we otherwise might not have made. Also, displaying products near the checkout counter helps our surveillance."

Barry Dennis, who in late 1979 left a job as president of a discount chain of hi-fi stores in the Baltimore area to launch Video Warehouse in suburban Owings Mills, Md., is a firm believer in the importance of product displays. However, he draws the line at self-service for videocassettes—at least for now.

"Video tape is displayed in open-front racks behind the main sales counter," Dennis says. "Because we consider ourselves a full-line

audio and video specialist in hardware and software, we consider this a good opportunity to talk to the customer and discuss any needed accessories.

Trying To Educate

"We are trying to educate as well as service the customer. Positioning product in terms of shelf space is not as important to us as it might be to some mass merchandisers."

"We try to help customers understand why their requirements often have a lot to do with what we believe to be the right tape for the occasion," Dennis explains. "Consumers continue to be heavily oriented toward buying the brand of tape that came with the video recorder they purchased, for example. Educating the customer to select the tape we believe to be the best for a given situation means that we want the opportunity to explain the differences in tape or simply to establish a confidence level in selecting the brands that may not necessarily have come with the hardware purchased."

Richard McKinney, manager of one of two Stereoworld stores in the Denver area, says that sales of audio tape definitely are on the increase since the company began displaying it prominently in the counter. Sales are so good, he adds, that consideration is being given to making it a self-service operation.

"Self-service invites theft, but the additional sales that would be realized could more than offset the loss," he says. "Right now, however, we think we have the best of both worlds. Because of how the tape is displayed, the customer has a good view of the stock and we have the control we want."

Another Denver area retailer, U.S. Stereo, also prefers to display cassettes in the counter. Dave Darnell, who operates two of the ten U.S. Stereo stores in Colorado, says that heavy traffic poses a security problem that he would just as soon not have to face.

"I don't believe we would do all that much better with a self-service operation," Darnell says. "We count heavily on repeat business and encourage brand loyalty. Chances are once a customer settles on a certain brand of audio or video tape

that person will ask for it every time."

Sky City Stores, Asheville, N.C., operates 65 mass merchandising establishments in a five-state area in the southeast. Bruce Robinson, buyer for electronics and small appliances, stresses self-service as a marketing must, whether it's recording tape or dry goods.

As a rule, Sky City stores have audio tape displayed on peg cards in two areas of each store. One display point is where hi-fi and recording equipment is sold. The other is in the record department. A display rack in the electronic sales area helps to attract attention to the Scotch audio cassettes which have been the number-one seller there for years.

Audio tape display racks have worked so well at MusicSmith, a record and tape store in North Palm Beach, FL, that a third unit is on order from 3M.

"It's largely a matter of impulse buying," says store manager Kayleen Hanna. "Displays at the checkout counter are responsible for a significant number of sales to customers who were not planning to buy tape when they came in," she says. MusicSmith, unlike many record and tape stores, does not display tape cassettes in a case behind the counter.

Displays Are Important

Robert Booth, sales representative at Olensky Brothers, a hi-fi and audio-video tape dealer in Mobile, Ala., definitely concurs about the importance of product display and self-service in this type of business.

"It is all right there for the customer to choose," he says, "and it is clear that customers prefer being able to select what they want, bring it to the counter and be on their way. It is much faster and easier than waiting for a clerk and having to ask for what they want."

Olensky's free-standing display racks are located in the front of the store, just inside the checkout counter, and hold both types of recorded tapes.

Mike Duncan, general manager of Cactus Records and Tapes, a Houston-based retailer with six stores, agrees.

"It always is good business to provide customer assistance to some degree but self-service is vital to our operation," Duncan points out.

"Many people know exactly what they want when they come in. The open displays make it possible for them to find the merchandise promptly," he says. "That applies to records as it does to tape. But it is also important that we will be able to advise shoppers on what they should be looking for in video tape."

Duncan says that the stores' tape displays are situated in accessory areas. Placement is such that whatever pilferage there is does not constitute a serious problem. He says that videocassettes, particularly the Scotch Brand, far outsell audio tape but that the audio tape volume seems

Continued on Page 51



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Circle No. 30 on product card

Promotion would increase phone sales

Continued from Page 44

"We train store department managers in quarterly sessions and have a full program," reports John Peck, of Whitehouse Marketing, a California distributor, and Cobra now has in-store displays and a sales training plan. ITT is emphasizing both its Ultra Phone and the educational message about phone ownership in its advertising this year, states Lou Gervolino, marketing director. Other firms planning expanded co-op and other advertising include Phone-Mate and

"We train store department managers in quarterly sessions"—John Peck, Whitehouse Marketing

Record-A-Call.

Display and promotion of telephones rarely is as aggressive as for other electronic products. Advertising generally is limited to the yellow pages of telephone books and to small space newspaper insertions.

A typical display is the one at Gimbel's, New York City, where two or three models are on top of glass cases, and the others are inside the cases or on shelves behind the cases.

Commenting on the need for

promotion, Reichenstein says "A lot of people said this would be the 'year of the telephone,' and a lot of people now are saying this hasn't happened. Well, it hasn't happened to the people who put them in a glass case and forgot about them. You have to be aggressive, use the sales aids the manufacturers provide; then you can sell them. As far as the future is concerned, it looks very bright."

This story was researched and written by Kathleen Lander.



GTE Solitare II—Circle No. 338 on product card



U.S. Tron telephone—Circle No. 339 on product card

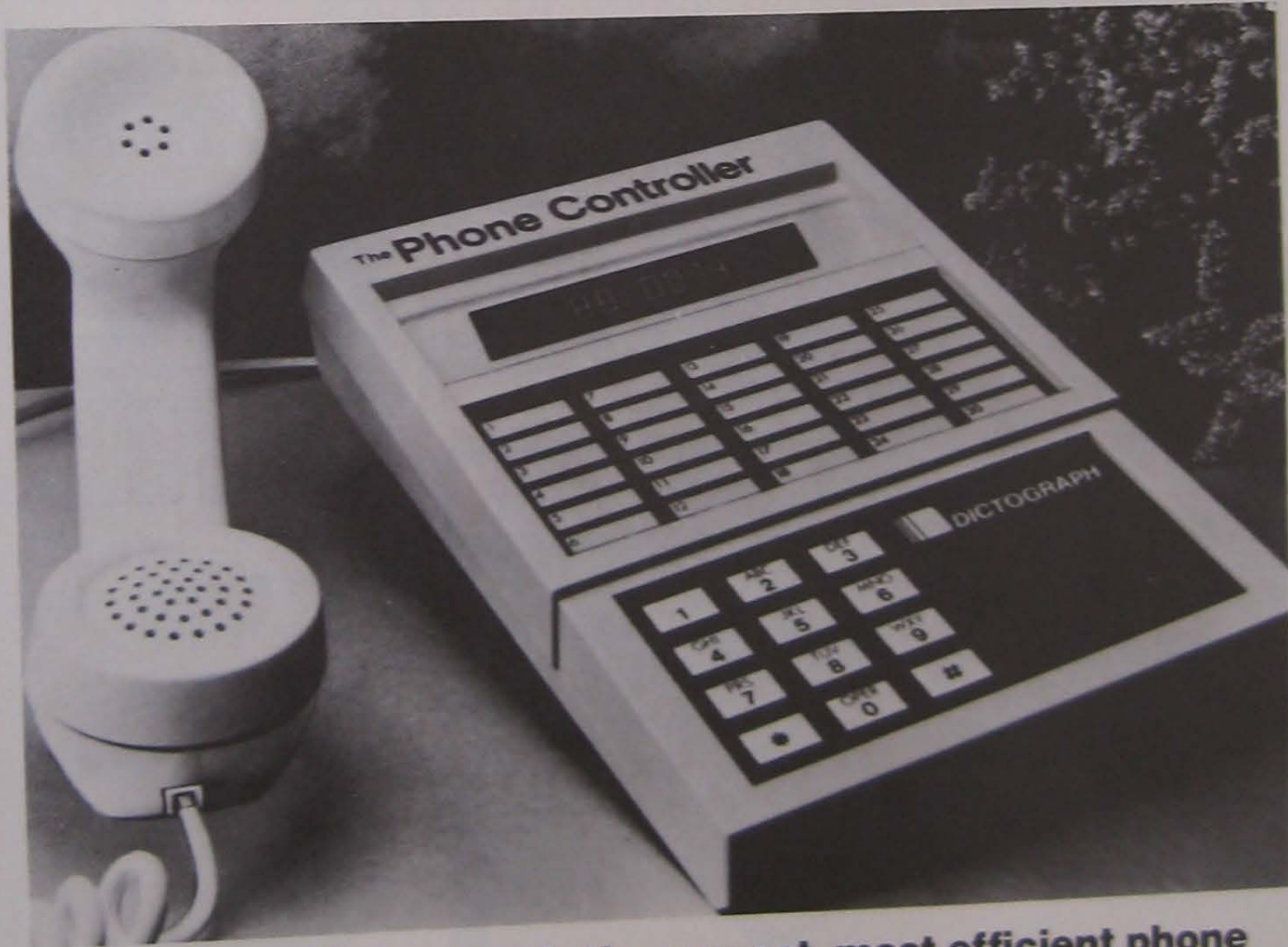


Dynascan cordless telephone—Circle No. 340 on product card

National Video adds movie line

PORTLAND, Ore.—National Video announces it has become an authorized distributor of the Media Home Entertainment line of video movies. The firm reports it has the entire selection of Media films in stock for prompt delivery, along with point-of-purchase materials.

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Circle No. 31 on product card

Dictograph adds dialer

THORNHILL, Ont.—Dictograph Corp. offers "Just-A-Dialer," a new low-cost telephone accessory designed to provide memory or repertory dialing of frequently called numbers for users who do not require the more sophisticated features of its Phone Controller.

The Just-A-Dialer stores and automatically dials any of 14 different phone numbers of up to 16 digits each upon pressing a memory recall button. Pre-programmed pauses for use with Centrex, Execunet, SPRINT, ITT and Western Union dialing systems can be included. The unit's Touch-Tone type dialing outputs may be used for manual dialing in any of three modes—tone, fast pulse and slow pulse—making it usable with any type of telephone on any telephone system worldwide.

The suggested retail price is \$49.95.

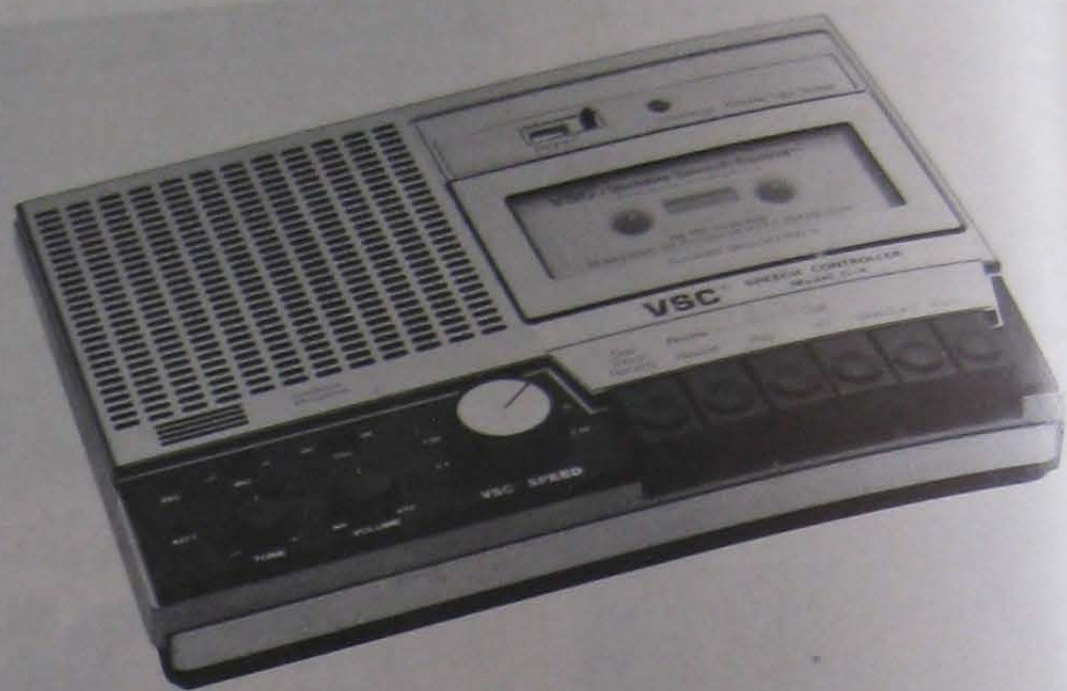
Dictograph Just-A-Dialer—Circle No. 484 on product card

VSC offers speed listening player

SAN FRANCISCO—VSC Corp. announces that "speed listening" technology—circuitry that allows tapes to be played back at up to twice normal speed and still sound natural—is now available in a portable cassette expected to retail for \$179.

Speed listening was available up to now only on expensive "speech compressors" sold to colleges and other institutional users at prices ranging from \$300 to \$600. VSC says the price of the system has been reduced by perfection of a special integrated circuit it has developed.

The circuit breaks the sound on a tape down into tiny segments, then drops certain segments as the tape is played back. The signal on the tape itself is not affected. The faster the speed of the tape, the more segments are dropped on playback. The result is speeded-up playback without the rise in pitch that ordinarily gives a "chipmunk" sound to tapes that are played at faster than normal speed.



VSC speech controller

VSC hopes that its new speed-listening recorder, the Model C-4 Speech Controller, will find a big market among college students, business people, doctors, lawyers, and other professionals who listen to a lot of taped material. People

who listen to educational, motivational, self-improvement and other kinds of prerecorded voice cassettes should also be interested.

Variable Speech Control—Circle No. 486 on product card

Webcor has 3 new Zip phones

PLAINVIEW, N.Y.—The Webcor division of Leisurecraft Products adds three new versions—cordless, stand-up, and Zip tone—to its line of ZIP telephones.

The cordless Model 575 functions as an intercom without interfering with the telephone line and has an automatic secure mode to prevent other nearby cordless telephones with the same frequency from registering a call through the owner's

number. It comes with a bracket for wall mounting and a belt clip for carrying. Range is listed at 700 feet, and the suggested retail price is \$239.95.

Model 737 has the same features as the original ZIP phone in futuristic stand-up styling, plus a mute button. Price is \$69.95.

Webcor telephones—Circle No. 485 on product card



Webcor cordless Zip Phone

Soundesign announces travel clock/radio, Model 3011

JERSEY CITY, N.J.—"Stylish people can go places with the new 3011 FM/AM travel radio," asserts its manufacturer, Soundesign. And they'll arrive on time, since the unit contains its own analog travel clock. Although its cabinet is only 1 1/4 inch deep, the sound it produces is big enough to satisfy the most demanding listener, asserts Soundesign.

The clock runs on its own AA battery (not included), and both an alarm unit and a night light that operates at the touch of a button are built in. The 3011 is 7 1/2 inches long and 2-7/8 inches high, and suggested retail price is \$27.95.

Soundesign—Circle No. 279 on product card



Soundesign clock/radio

New Alaron unit

TROY, Mich.—Alaron introduces the RY-1082, a new addition to its Rhapsody line of clock radio/tape players. The unit features a cassette player, an 8-track player, an LED digital display, a light-sensitive automatic dimmer, and sleep and snooze switches. Suggested retail price is \$99.95.



Alaron—Circle No. 282 on Product card

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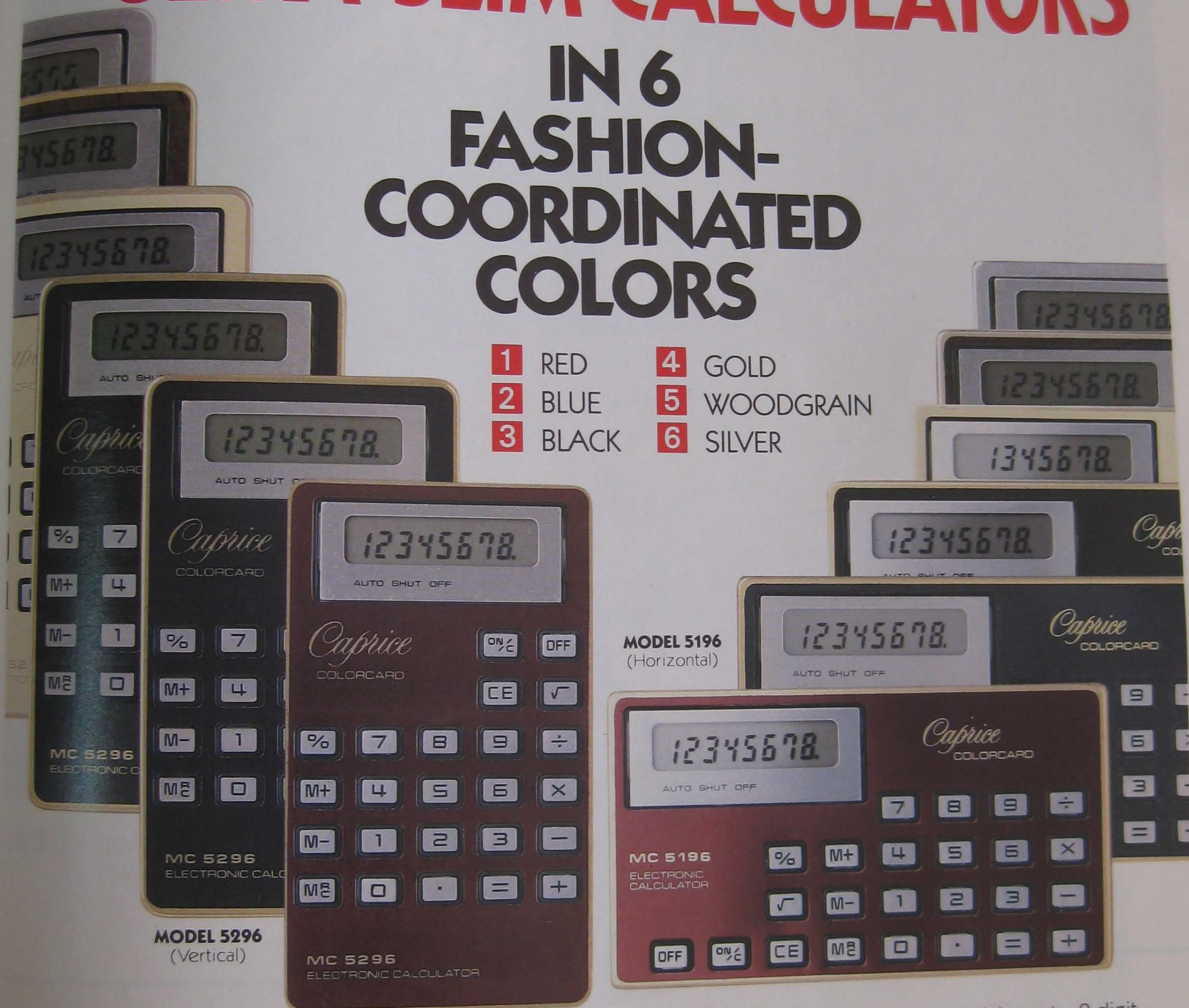
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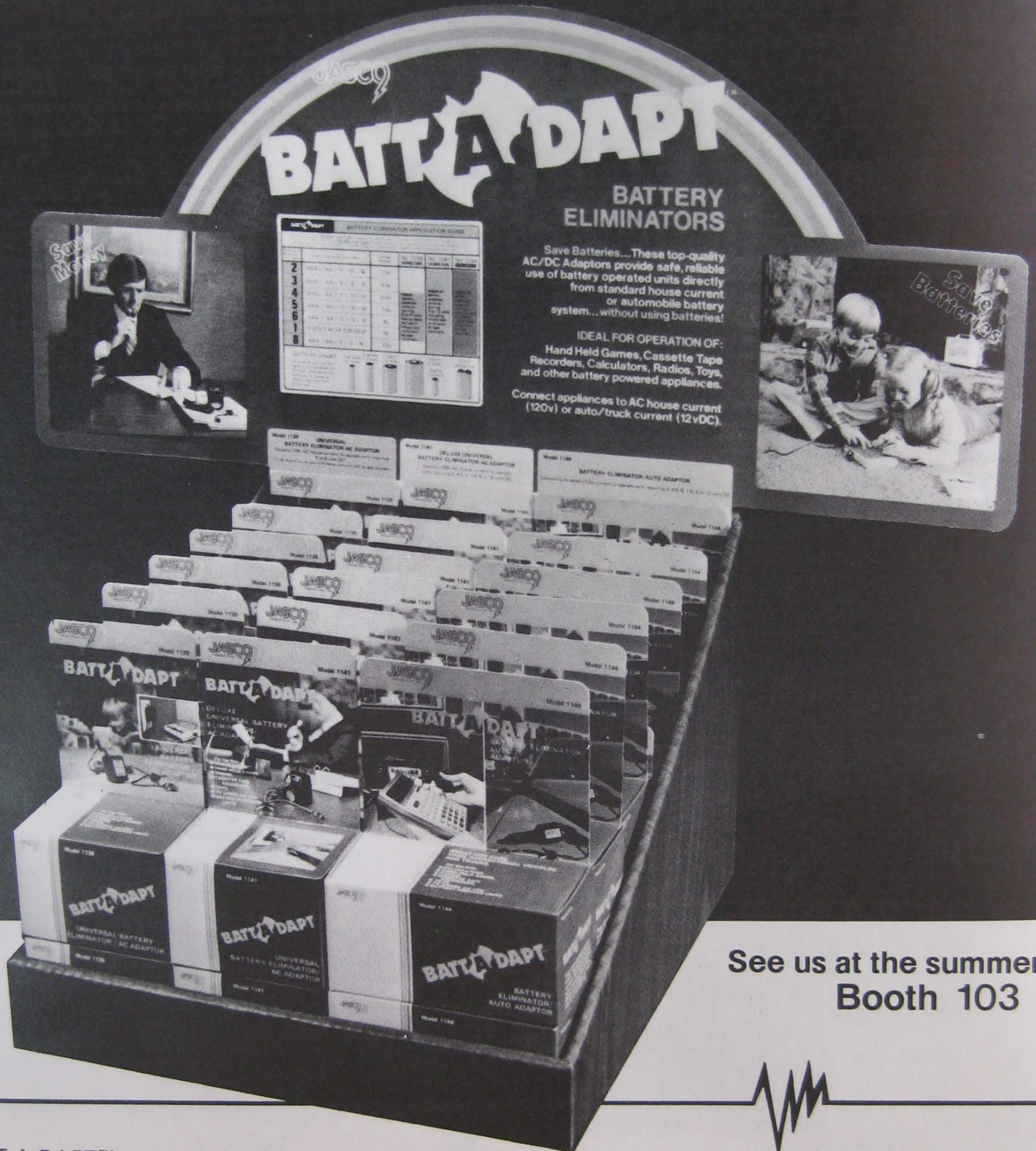
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Get BATT-A-DAPT™ sales lightning working for you. From department store counter top to convenience store checkout, it'll plug you into electrifying sales and profits.

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Circle No. 44 on product card

some dealers downplay tape display benefits

Continued from Page 46
to be holding steady.

Conn Camera, a Washington, D.C., photographic dealer with an audio section, on the other hand, plays down displays as having little, if any, impact on sales. So too, does Electra Distributing, a tape whole-

saler in Nashville, Tenn.

A Conn Camera spokesperson says that tape displays are meaningless. As a rule, people who come in the store know exactly what they want and ask for it, whether it is photographic, audio or video, the spokesperson explains.

"Blank tape cassettes are kept in the display case at the counter but usually there isn't much deliberation over what brand to buy," he says. One self-service display rack on the floor attracted so little attention that it isn't even kept stocked anymore.

"For years, customers have come

here to buy, not to shop," says the spokesperson for Electra Distributing. "Perhaps we are in a somewhat different situation than the typical retailer, but we just don't see displays and other attention-getting techniques meaning all that much to us."



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Right now, the home computer and word processing industry is poised to take off. And Maxell is there on the ground floor with a full line of premium floppy disks. Also consider the volume of battery-powered products now available. Once again Maxell is there with a premium battery line. Both batteries and disks with the Maxell name on them offer you awesome sales potential.

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a special sales team dedicated to these new battery and floppy disk opportunities. Call us. We'll introduce you to the Maxell Special Products Division. Get to know them and learn just how much the future holds for you with these two very special products.

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High-end sales spur computer market

Cover Story

Continued from Page 1

be mass merchandised (\$500 or less), a shortfall in viable software makes these items less than desirable to consumers looking for machines to help them with their everyday needs, dealers say.

According to Venture Development Corporation, an independent market analyst, business users will continue to be the fastest growing segment of the market through 1985. Shipments to this segment will increase by 52 percent annually due to new product introductions and aggressive promotion by manufacturers and dealers alike. A large part of these machines' sales will fall in the up-to-\$10,000 market.

Shipments to the home/hobby category will grow by 26.2 percent annually, the lowest rate of any end-user segment, the analysis firm asserts. However, a VDC nationwide survey of personal computer users reveals that the home user is changing in many ways. The "electronics tinkerer" of the past has been replaced by the upscale professional with some knowledge of computers, says the firm.

Software Is the Key

Says VDC analyst Karen Horowitz, "There are three keys to selling personal computers, and all three are called software. Software is what provides the benefit to the end user. People won't be buying 64K memories, they'll be buying solutions to problems." A key challenge facing manufacturers, says Horowitz, is how to meet the software needs of different users. For many manufacturers, Horowitz feels, this will be the major strategic question of the 1980s.

Horowitz believes the home market is strong and that lower prices may increase the market share for this segment. However, she cautions, "Oftentimes users become wary of a very low priced system. Can something for \$200 do what they want it to do? In some cases, yes."

"There are 3 keys to selling computers, and all 3 are called software."

—Karen Horowitz, VDC

According to International Resource Development, a market research and product planning group in Norwalk, Connecticut, the market for microcomputer software packages will top \$600 million in 1981 and will reach \$2 billion within four years. However, only one tenth of these sales will come from "home" computer users, with the major strength in the small business and educational sectors. The company predicts that by the end of the decade, the business market for

menco, Dynabyte, Durango, Pertec, Ohio Scientific, Vector Graphics and more than 100 others will be caught in the squeeze and contest for smaller shares of a shrinking pie, the multi-terminal small business segment.

IRD asserts, "Although many industry observers expect to see a major Japanese push into the U.S. microcomputer system market, there seems to be a general agreement that these Japanese microcomputers will mostly use

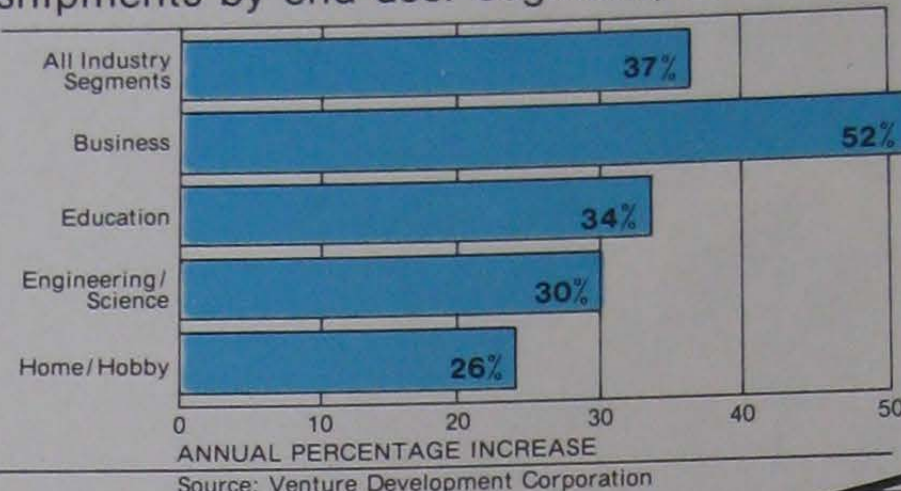
microcomputers will be saturated and the really large future growth will come from the consumer market.

IRD maintains that computer retail stores, "once considered the foundation of the new microcomputer industry, have by and large failed to capture the public's attention, and a tremendous shake-out is under way. Fewer than half the stores in existence will survive until 1983," says the firm, "and those that do survive will only prosper by becoming, in essence, systems houses with storefronts."

IRD contends existing major manufacturers of small business computers (IBM, DEC, Data General and TI) will continue to dominate the small business software market in terms of total dollar sales, while the lower-priced personal computer manufacturers (Radio Shack, Apple and Commodore) will be fighting over the scraps in that market segment. Cado, Basic Four, Applied Digital Data Systems, Cross software written in the U.S." Notes

Personal Computer Shipments

Annual growth rate of personal computer shipments by end user segment, 1980-1985



Source: Venture Development Corporation

Venture Development's Horowitz. "The Japanese could have a big effect. A lot of Japanese companies will sell their hardware but they've got to have software with it and a lot of them don't want to produce it."

In the meantime, dealers report that sales of domestic machines have increased. Bob Keene, sales

we had a time where we couldn't get computers. If the flow had been regular, we'd be doing 100 percent better than we did the year before."

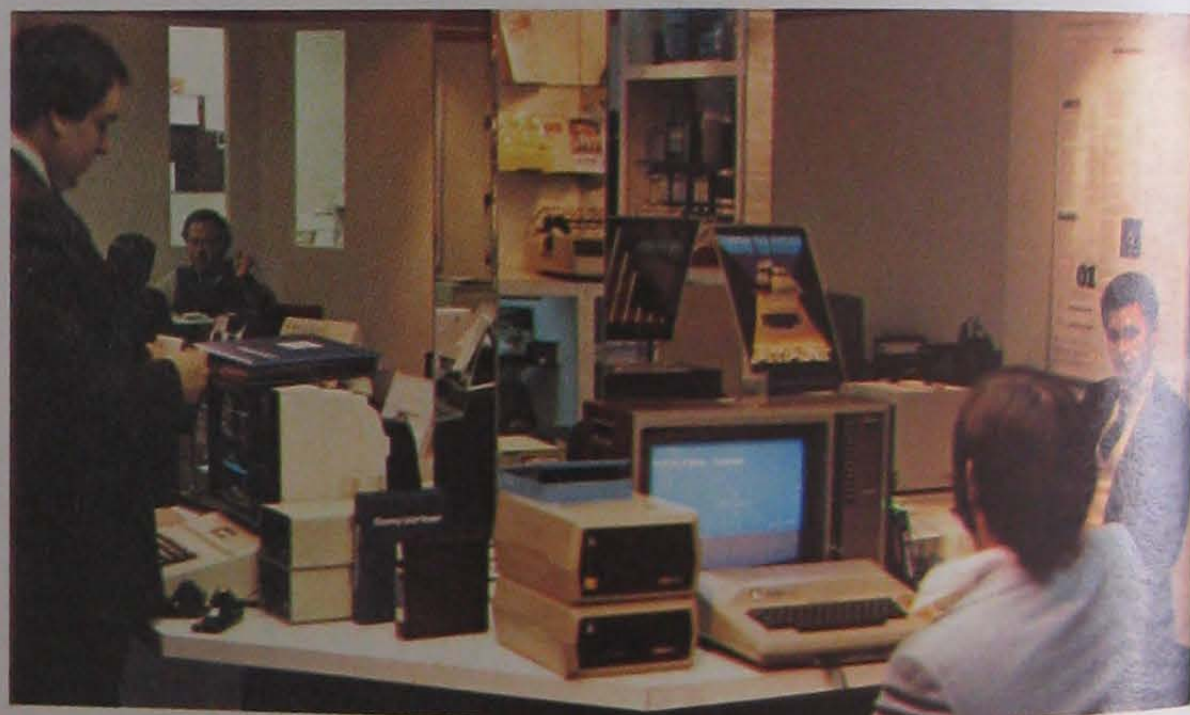
Morgasen attributes his store's success to the strong support he receives from Apple and to Berliner's stance as a "service-type organization. We support what we sell, and we stand behind it." Additionally, Berliner uses co-op advertising dollars from Apple to broadcast commercials on news radio stations in New York as well as to place print ads in local newspapers.

At Berliner, computers are "set up in the store and working," says Morgasen, "because the best way to show a businessman what a computer an actually do is to have him sit down in front of it and show him."

Market Has Grown

The Alpine Computer Center, Rockford, Illinois, also has personal computers up and running, says computer buyer Cathy Rose. Each computer is given a separate location in the store, with all applicable software displayed around it. Alpine Computer offers a wide range of machines, including all the low-end systems whose prices were lowered. Yet Rose contends the pricing changes have not affected sales.

The 1700-square-foot store has been in business for five years, and



Personal computers on display at Computerland, N.Y.C.

manager, Candid Computers, Simi, California sees a "general awareness of the microcomputer and probably less fear of the word 'computer' as reasons for their advance. "The word 'computer' is a scary word. We used to sell 'intelligent business systems' rather than 'computers' because of the consumer's mental block with the word 'computer' I think that's breaking down now," he says.

Success Story

Notes Howard Morgasen, manager of Berliner Computer, New Hyde Park, New York, an authorized Apple dealer, "I'd say we are far ahead of where we were last year. Apple was having a problem at one time in supplying product because they had not anticipated how well they were going to do, so

Rose has seen the market develop from one based on hobbyists "to the real thing. There is no more hand-holding. The hobbyists have really done the pioneering. We see that our sales are not that great in the hobby department, and of course all the other computer companies dropped the hobbyist. They have found, just as we have, that it is more profitable to sell a computer that is already made."

Rose observes an increasing number of women passing through her store, too. In addition to selling to independent businesswomen and housewives, Rose reports a number of businessmen bring their secretaries through the store as they search for word processing systems.

Alpine Computer Center takes an aggressive stance in merchandising

Continued on Page 54

Why would you want to carry another line of books or software or peripherals?

Inundated?

"My book display is full. I don't have room for another software rack. And I certainly can't afford to stock any more peripherals."

Is this how you feel! No extra space and no spare cash. Not only that but the competition is heating up and there aren't enough customers to go around.

We've certainly heard that story enough from the stores we call on. However, we may have an answer, or at least a start.

Repeat Visits are Vital

It's rare that a customer comes into a store for the first time and walks out with a computer. The typical customer shops around—either to other stores or through product reviews and ads in magazines. Then, on the second or third visit, he's ready to buy.

How do you make sure he comes back to your store! Obviously, if you've been helpful and courteous you have a better shot than if a sales person has ignored the customer, been condescending or abrupt.

One way of helping the customer is steering him to down-to-earth product reviews of the type in *Creative Computing* magazine. You can be sure your customer won't be turned off by technical jargon or shallow writing.

Karl Zinn at the University of Michigan observes, "*Creative Computing* consistently provides value in articles, product reviews and systems comparisons . . . in a magazine that is fun to read."

Applications Key to Selling Computers

Another way of helping your customer is showing him what a computer can do for him. Of course, you'll want to give him a demo in the store. If you sell Apple computers you might want to use the free demo disk from Creative Computing Software. Several store owners have commented that this disk is the best they've seen for showing off the capabilities of the computer in a wide variety of applications such as education, games and self-analysis.

Since applications are generally the key to selling a computer, you'll want to make sure your customer has information to take along with him on a wide cross section of applications such as are found in every issue of *Creative Computing*.

Computer store owners agree. One in Davenport, Iowa wrote, "It's amazing. It's much more valuable than most books on the subject."

Speaking of Books

Although hardware-oriented books are practically out of date by the time they go to the printer, books about software and applications have a much longer life. Take *Basic Computer Games* for example.

Basic Computer Games and its sequel *More Basic Computer Games* have together sold over 500,000 copies. Most stores carry them and are happy to devote some shelf space to best sellers like these. However, a book like *Computers in Mathematics: A Sourcebook of Ideas* has the same special appeal to educators as the games books have to home users.

Other best sellers you'll probably want to stock are the three volumes of *The Best of Creative Computing*. Anyone who's picked up a few copies of the magazine is sure to want these volumes.

Customers with children between 5 and 13 will be especially interested in *Computers For Kids*. It comes in three editions, one each for the Apple, Atari and TRS-80.

There are ten other books in our line which you should certainly consider once you are well stocked with the nine books mentioned above and have proven to yourself that they really sell briskly and don't gather dust on your shelves.

The Customer is Sold. What Now?

Once the customer has purchased a computer means he is now a customer for peripherals and software. Our Peripherals Plus subsidiary distributes five of the hottest selling Apple and Atari peripherals. VersaWriter is a graphics tablet with a retail price of only \$249 compared to over \$700 for its competitors. Not only is it less expensive but it's more versatile and has better software than other graphics systems.

The ALF music system is one of the finest on the market. Versions exist for both professional musicians and hobbyists. And the best-selling 9-voice Apple board retails for only \$198.

Other items carried by Peripherals Plus include Super Joysticks, Super Paddles and the Dithertizer, a video imaging system for the Apple.

Not only are all of these peripherals available to you at substantial (up to 40%) discounts but they are supported by a national advertising program with over 50 full pages of advertising scheduled in 12 publications in 1981.

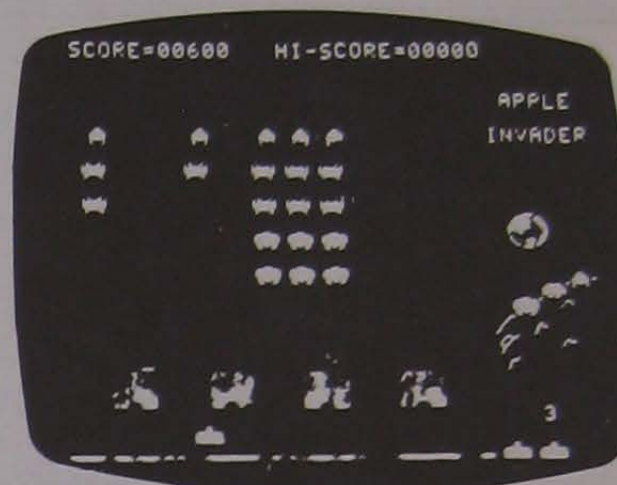
What About Software?

Need we say that it is software that keeps a customer coming back again and again? Sure, some games are played over and over like our incredibly successful *Super Invader* and *Air Traffic Controller*. But many others are read like a book and perhaps re-read a few times before the novelty wears off and the user is ready for a new challenge. We've got those too. We pack four or five games on a tape or disk and price them low so people can afford to build a library without going broke.

Our line of games is second to none. We have over 400 different ones on 100 software packages.

But games are just the beginning. We also offer the complete MECC and Huntington educational software lines as well as twelve more packages of our own. That's 41 educational packages in all.

Add to that the only stock options analysis package recommended by *Fortune*, four plotting/graphics packages, a solar energy analysis package, five utilities and six other packages and you can see we've got one of the most comprehensive selections of software of any vendor, bar none.



Super Invader: one of the 150 best-selling software packages from Creative Computing Software.

All our software is in bright new packages for pegboard racks, all qualifies for a full 40% dealer discount and all is fully guaranteed. Furthermore, Creative Computing Software is supported by a major national advertising program with over 100 pages of advertising scheduled in 15 publications in 1981. Compare this to any of our competitors. Any.

Number 1 in Software and Applications

Creative Computing magazine has long been the leading magazine of software and applications. But we're far more than a magazine. The entire corporation is committed to being number 1 in software and applications on all fronts—magazines, books, peripherals and software.

That commitment means we'll work with you to make you successful, it means fair prices, it means generous discounts, it means national advertising and it means standing behind what we sell.

Free Dealer Packet

If you don't have a new dealer packet, write or call for one today.

Feeling inundated? You won't with Creative Computing and Peripherals Plus products because they'll turn around your investment so fast you won't have time to feel inundated.

creative computing

Attn: Louise

P.O. Box 789-M

Morristown, NJ 07960

Toll-free 800-631-8112

(In NJ 201-540-0445)

High-end sales spur computer market

the computer. The store advertises on radio and television but, according to Rose, the "strongest response is through direct mail." The store notifies its customers once a month "what is new and what is available," says Rose, and

cated at a time when mainframe computer systems were the only thing to program with, and they still believe COBOL and FORTRAN are the only languages to program with. It is taking a lot of effort to overcome that mistaken idea," says Young.

Mitch Mitchell, computer buyer

think there is some greater good for microcomputers than simply Star Raiders. I don't mean to imply that they don't have any other value, but until software is developed to apply them, the first thing that usually happens, especially with the cheaper units, is that the machine becomes more game-slanted."

Price No Barrier

Mitchell believes lower prices will appeal more to the novice than to anyone else, but cautions, "If you decide to get into golfing, whether a set of clubs costs either \$250 or \$300 is not going to affect whether you go in or not. I really think if a consumer is determined to buy a computer, the difference between \$3,000 and \$2,500 is not going to make it or break it. You either decide you're going to do it or you

don't," says Mitchell.

The distributor continues, "The guy who is really going to be enticed by the lower price is the real unannointed consumer, and I think he is going to be enticed into the market in a couple of years—but not today."

Countering claims by some retailers that lower prices have been a hindrance because they have "cheapened" the image of the product, Mitchell concludes, "Some retailers may find the image is cheapened, but when I tell a retailer I'm dealing with the price of the product he paid \$2,000 for last month is now down to \$1,600, he doesn't feel that I'm cheapening him."

This story was researched and written by Bob Citelli.

**"The central area of the U.S. is technologically behind the coasts."
—Byron Young, Young Electronics**

also offers monthly specials.

"One of the things we've noticed," says Byron Young, Young Electronics, College Station, Texas, "is that the intelligence level, the computer awareness of consumers is growing from the West Coast to the central states. It comes in a little from the East Coast, but the central area of the United States is apparently technologically two years behind the coasts. And, even though there are some very intelligent people here, they were edu-

for Micro Distributors, Santa Ana, California, believes a number of elements will soon trigger the market, including consumer awareness, simplification of the hardware, and a greater availability of software.

Software Needed

Says Mitchell, "I would prefer to think there is some relatively beneficial area for the computer to serve rather than strictly as an amusement item. I would prefer to

**"The difference between \$3,000 and \$2,500 is not going to make it or break it."
—Mitch Mitchell, Micro Distributors**



Bally Arcade System—Circle No. 328 on product card



Apple III System—Circle No. 329 on product card



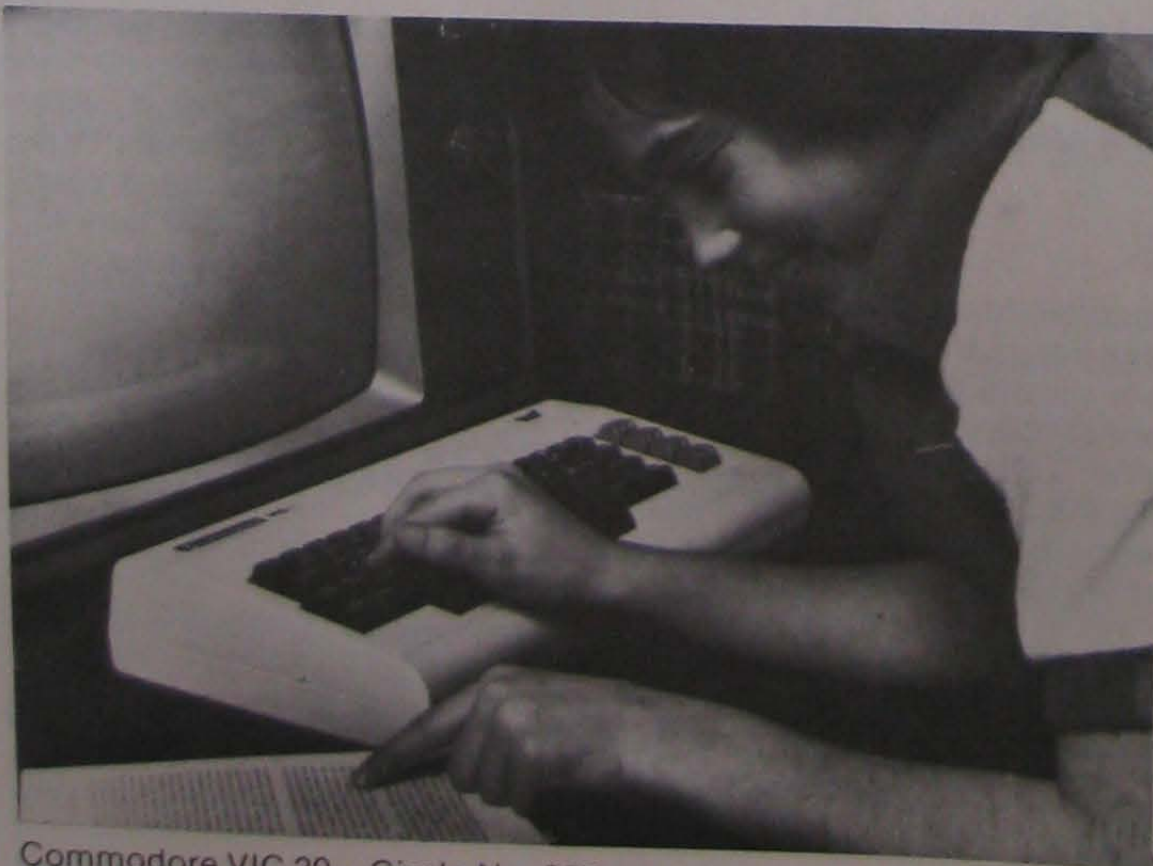
Mattel Intellivision, with game module nested in top of computer keyboard unit. Circle No. 326 on product card



TI computer and software—Circle No. 331 on product card



Atari's Accountant System—Circle No. 330 on product card



Commodore VIC 20—Circle No. 327



MOST CREATIVE: Tim Smith, left, receives the first annual "Most Creative Game of 1980" award from George Blank, editorial director at Creative Computing magazine. Smith is the author of Olympic Deathlon, a game recently introduced by Microsoft. The award was presented by the consumer magazine in San Francisco at the West Coast Computer Faire.

Axlon distribution network goes nationwide

SUNNYVALE, Calif.—Axlon Inc. announces the addition of four new distributors to complete the nationwide availability of the company's RAMCRAM memory modules.

In addition to High Technology, Florissant, Mo.; Byte Industries,

Hayward, Calif.; Micro Distributors, Rockville, Md.; Makomp, Miami, Fla.; and F.A. Components, Fresh Meadows, N.Y., have joined the Axlon distributor group.

The memory module enables Atari computer owners to expand

the memory capacity of their computers. The Atari 400 can be upgraded to 32K RAM and the Atari 800 up to 48K RAM. Reportedly this expansion allows the 400 to perform all functions of a 32K Atari 800 system. It also

enables the 400 to operate peripheral equipment such as disk drives and printers.

Axlon Incorporated was founded in early 1980 to design and manufacture products to enhance the performance of personal computers.

Big beautiful TV. Big beautiful profits.



The projection TV your customers have been waiting for! Doors closed, it's beautiful furniture that takes little more floor space than some TV consoles.

Doors open, it's a bright, giant-screen 45" diagonal color TV that fills the room with excitement. Loaded with features that sell!



105 channels, 35 ready for cable TV. Compact, computerized multi-function, remote control tuning. Stereo capability with 4 speakers and 2 separate amplifiers, for use with existing stereo audio equipment. And much more. Big mark-up! Big profit!

That's fantastic! That's Quasar!

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ONE GREAT IDEA AFTER ANOTHER...



Component style, component features, integrated into one high-performance stereo system.



Microwave/Convection Oven that bakes and browns. With 3 separate functions, it's like 3 ovens in one.



Compact, lightweight Video Color/Sound Camera and Videotape Recorder. Instant replay, special effects.



Ultra-modern 25-inch diagonal color TV with softly-rounded top. 105 channel remote control tuning.



World's most compact 7" diag. TV and AM/FM radio goes where you go. Runs on AC, DC or ordinary D-cell batteries.

Quasar, Franklin Park, Illinois 60131.
Division of Matsushita Electric Corporation of America

TV Pictures Simulated

See all Quasar products
Consumer Electronics Show, Space 504

Avalon Hill offers new home computer games

BALTIMORE—The Avalon Hill Game Company, a leading designer of adventure games, presents an entire range of packaged strategy games to be played on home computers.

Each game comes handsomely packaged, complete with loading and playing instructions, along with software that fits a number of home computers. Reportedly, there is no need to specify home computer type when ordering.

Computer Acquire is a software version of the classic board game of the same name in which the object is to become the wealthiest person in a game of hotel acquisitions and mergers. It requires 16K on the TRS-80, Apple II and Pet. The game retails for \$20.

Conflict 2500 is a science fiction game that pits the earth defender against marauding planet pulverizers. This solitaire-only game is ready to run on the TRS-80 Level II with 48K memory, Apple II with 32K, and Pet with 32K. It retails for \$15.

Lords of Karma is more like a puzzle. The "player" finds himself in a mythical, magical city and is required to perform as many deeds



Microcomputer Games' packaged strategy games.

of kindness and bravery as possible. Strictly for solitaire, the game comes complete with rules and the software for the TRS-80 Level II, the Apple II and the Pet. It retails for \$20.

Planet Miners gives one to four players a chance to compete against each other and the computer. The object is to stake valuable mining claims in a science fiction game set in the year 2050. It can be used with the TRS-80 Level II with 16K memory, the Apple II with Apple-soft BASIC 16K memory beyond BASIC, and the Pet with 16K memory. It retails for \$15.

Other games currently available from Avalon Hill's Microcomputer Games division include B-1 Nuclear Bomber, Midway Campaign, North Atlantic Convoy Raider, Nukewar and 4003. Each can be played on either the Apple, TRS-80 or Pet personal computers and each retails for \$15.

Computer Acquire—Circle No. 162 on product card
Conflict 2500—Circle No. 163
Lords of Karma—Circle No. 164
Planet Miners—Circle No. 165
Other games—Circle No. 166

Increases TRS-80 software line

PETERBOROUGH, N.H.—Instant Software introduces three sophisticated new packages for the Radio Shack TRS-80 Level II 16K microcomputer. They are Kid's Gallery, a five-in-one game collection; House of Thirty Gables, billed as "one of the best adventure games yet," and Mathmaster, a program that features state-of-the-art graphics and takes the pain out of the fundamentals of learning arithmetic.

The Kid's Gallery package includes a 3D Tic-Tac-Toe game with four skill levels, a haunted house adventure game with sophisticated graphics, a fast-draw shootout game, a frogs-and-flies reflex game, and a one-armed bandit that's just like Vegas.

House of Thirty Gables and Mathmaster will run both on the TRS-80 II and the new Model III micro, Instant Software says. House of Thirty Gables is "very sophisticated and extremely addictive," the company adds, and it says that Mathmaster can be used by any parent "to make fun out of learning addition, subtraction, multiplication, division and fractions."

The Peterborough, N.H.-based firm also announces the release of Find It Quick, a fast, reliable, subject-oriented information retrieval system.

Reportedly, Find It Quick is ideally suited for doctors, lawyers, engineers, businessmen, educators, and anyone else who might need a

fast, efficient way to locate information. The system can be used by anyone with a TRS-80 Disk microcomputer system.

Chessmate 80 is an intelligent chess program designed for the Model I TRS80 tape system and disk system. This versatile chess master features a choice of 10 levels of play from "Blitz", where the computer has three seconds to move, to "Infinity," in which the computer considers every conceivable play. The program is a conservative chess player and follows all the accepted rules of international play.

Astrology is a disk-based computer program written by one of the foremost authorities on astrology, says Instant Software. Suitable for use on the Apple II, the program calculates and displays a map of the sky as it was on the day of the user's birth, illustrating the positions of the heavenly bodies in relation to the twelve houses and the signs through which they pass. For those who believe that celestial bodies influence human affairs, the program uses the Koch system of house apportionment.

Kid's Gallery—Circle No. 171 on product card
House of Thirty Gables—Circle No. 172
Mathmaster—Circle No. 173
Find-It Quick—Circle No. 174
Chessmate—Circle No. 175
Astrology—Circle No. 176

Automated Simulations unveils Epyx games for Atari 800

MOUNTAIN VIEW, Calif.—Automated Simulations offers three Epyx games for the Atari 800.

The games, Invasion Orion, the Datestones of Ryn and Rescue at Rigel, are available for the Apple, TRS-80 and Pet computers.

Invasion Orion is a tactical space game. Datestones of Ryn has the player attempting to recover the stolen Datestones of the ducal calendar of Ryn from within a maze. Rescue at Rigel is a science fiction

role-playing game in which the player has 60 minutes to find 10 humans held captive somewhere inside an alien moonbase.

Automated Simulations also plans to introduce other Epyx games for the Atari in the coming months. The three current games are available on cassette for the Atari 800 with 32K RAM.

Atari 800 Games—Circle No. 227 on product card

Tab Books creates book club for growing home computer marketplace

BLUE RIDGE SUMMIT, Penn.—Tab Books announces creation of the Computer Book Club, aimed at home computerists, computer hobbyists, and small to medium-size business computer users. Tab calls the venture "the first club to offer both books and other related software exclusively for the home, hobby and business market."

More than 60 books will make up the club's initial offering, including titles targeted to all levels of personal computer experience and interests, encompassing hardware, software, applications, and theory.

Members will receive bonus benefits including discounts on software packages, games, cassettes, discs, book dividends, and other incentives, the firm adds.

Tab says it plans an extensive advertising campaign for the club in major computer, electronics and science news publications. The ad thrust is expected to reach an audience of more than 8.5 million during the first year, the publisher claims.

Tab Books—Circle No. 233 on product card



Microconnection is a direct-connect modem.

Direct-connect modem can interface telephone lines

REDMOND, Wash.—Microperipheral introduces Microconnection, a direct-connect modem for interfacing personal computers to telephone lines.

"Direct connection eliminates the need for noisy and unreliable acoustic-coupled modems," the company explains. The new device is available in three models: one for the Atari 400/800, one for the Radio Shack Color Computer, and one for the Radio Shack TRS-80 Model III.

All three units are Bell 103-compatible, and each operates at 300 baud in both the originate and answer modes. The Microconnection allows the computer-owner to communicate with other computers and to use data services and public access bulletin boards.

The unit designed for the Atari 400/800 does not require the use of the Atari 850 parallel/serial interface unit. The modem is designed to be connected to the computer's console data port and comes supplied with software for 300-baud data input-output.

The Microconnection for the TRS-80 Model III can be used with all RS232-equipped models from Level 1, 4K to Level II, 48K disc systems. A dumb terminal is supplied with the modem, and a smart terminal that permits transfer of programs and data is available for both disc-based and cassette-based systems.

Microconnection Modems—
Circle No. 151 on product card

BASF unveils FlexyDiscs

BEDFORD, Mass.—BASF introduces Headcleaning FlexyDiscs which can "clean read/write heads on diskette drives in just 60 seconds without the mess and bother of chemical solvents or liquid."

To use the FlexyDisc, you simply insert it into your disc drive and activate the unit for about a minute. Each FlexyDisc can be used up to 30 times.

The diskettes, available in both

5¼-inch and 8-inch sizes, are for use on single-sided flexible disc drives only. They are packaged three to a plastic "Library Box," with complete instructions for use and handy check-off boxes to keep track of diskette use. Suggested retail price is \$45 per three-disc case.

BASF FlexyDiscs—Circle No. 152 on product card



BASF's headcleaning FlexyDiscs.

Personal Computers Handbook makes computers simple

INDIANAPOLIS—Howard W. Sams & Co. offers the *Personal Computers Handbook*.

The volume deals with all the practical aspects of personal computers, including what they do, how they do it, how information is stored, and how it can be expanded through peripherals. The principles of programming and the BASIC language are covered, and the book also offers a complete dis-

cussion of the microprocessor. The *Personal Computers Handbook* is authored by Walter H. Buchsbaum, director of the Biomedical Engineering Department, Brookdale Hospital Medical Center, Brooklyn, N.Y., reports the publisher.

Personal Computers Handbook
—Circle No. 218 on product card

We do Games, not Windows!

That's *all* we do!

We're specialists in an age of specialization!

In fact, we have the highest share of "best game awards" among all game publishers.

We also have the highest regard for the gaming potential of home computers. That's why we've created a new company: *Microcomputer Games*®, Inc.

No, they don't do *small* windows!

They do games even Avalon Hill can't do. Games played against home computers programmed to outthink, outsmart, and out-maneuver anyone within cussing distance.



Each game comes complete with rules and software for the popular home computers including Atari 800®, Apple II®, TRS-80®, and PET®.

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microcomputer games®

A REGISTERED TRADEMARK OF MICROCOMPUTER GAMES, INC.

The Avalon Hill Game Company

4517 Harford Road, Baltimore, MD 21214

Circle No. 35 on product card

Charles Mann has new software for Apple and TI computers

YUCCA VALLEY, Calif.—Charles Mann & Associates introduces a number of software packages designed for the Apple and Texas Instruments personal computers.

A new job cost, general ledger and payroll system for the Apple is offered. Dubbed the Job Cost Accounting System, the package includes an integrated general ledger and payroll system with automatic posting to job cost subsidiary ledger accounts. Also included are a full-featured text processor and report generator for bid preparation, special form preparation, and annual report generation.

The system allows the definition

of up to 1,000 general ledger accounts and up to 99 job cost accounts. The transactions-oriented system allows for the approvable of payables for automatic posting to the general ledger and individual job accounts. It requires an Apple II, Apple Plus or Apple III computer with 48K of RAM, two disk drives, and a 130-column printer. The package is also available for \$459.95.

Charles Mann also offers a new professional applications package for the medical profession called Medirec.

The Mederic system is a total medical history and report preparation system. The professional using

the system can prepare office input forms, enter patient and family histories, record patient visit symptoms, diagnosis and treatments, prepare referral requests, patient history summaries, and make referral reports. It requires a 48K Apple II, Apple II Plus or Apple III, an 80-column printer, and two disk drives. The system is available for an introductory price of \$199.95.

Payroll I is a new payroll system for the TI 99/4. It allows small businesses with fewer than 100 employees to operate a full weekly, bi-weekly, semi-monthly or monthly payroll system. The system automatically calculates and records all federal taxes and FICA, plus three

user formulated fields for State taxes, insurance, union dues, etc. The system can handle salaried, commissioned, and hourly employees. The hourly element allows an unlimited number of rates and classifications.

The system requires a single disk drive, a small micro printer, Extended Basic and a 16K CPU. It is also available for single-disk Apple II or Apple II Plus computers with Applesoft and 32K of RAM for \$199.95.

Job Cost—Circle No. 269 on product card

Medirec—Circle No. 270

Payroll I—Circle No. 271

Amdek introduces 2 monitors

ARLINGTON HEIGHTS, Ill.—Amdek Corp. introduces two TV monitors suitable for use with personal computers.

Video 1000 is a 12-inch black-and-white video monitor with a video band width of 12MHz. Housed in a lightweight cabinet with built-in handle, the monitor features solid-state circuitry for stable and sharp pictures. Its full compatibility enables it to plug into a wide range of computer systems, including Atari, Apple, Radio Shack, Ohio Scientific and Exidy. Adjustments for height, vertical linearity and width control are located on a rear panel.

The Amdek 13-inch Color Video

Monitor is said to offer clear, vibrant colors that enhance computer graphics for business uses such as plotting graphs and charts, or even personal entertainment needs like computer games and simulations. Its low resolution display is 40 characters wide by 24 characters deep, with 260 horizontal lines and 300 vertical lines. A built-in speaker with volume control allows for use of audio when desired.

Video 100—Circle No. 239 on product card

Color Video Monitor—Circle No. 240

New graphics tablet expands capability of HP Series 80

PALO ALTO, Calif.—Hewlett Packard reports its HP 9111 Graphics Tablet hardware and software is now available in a form that is compatible with HP Series 80 personal computers.

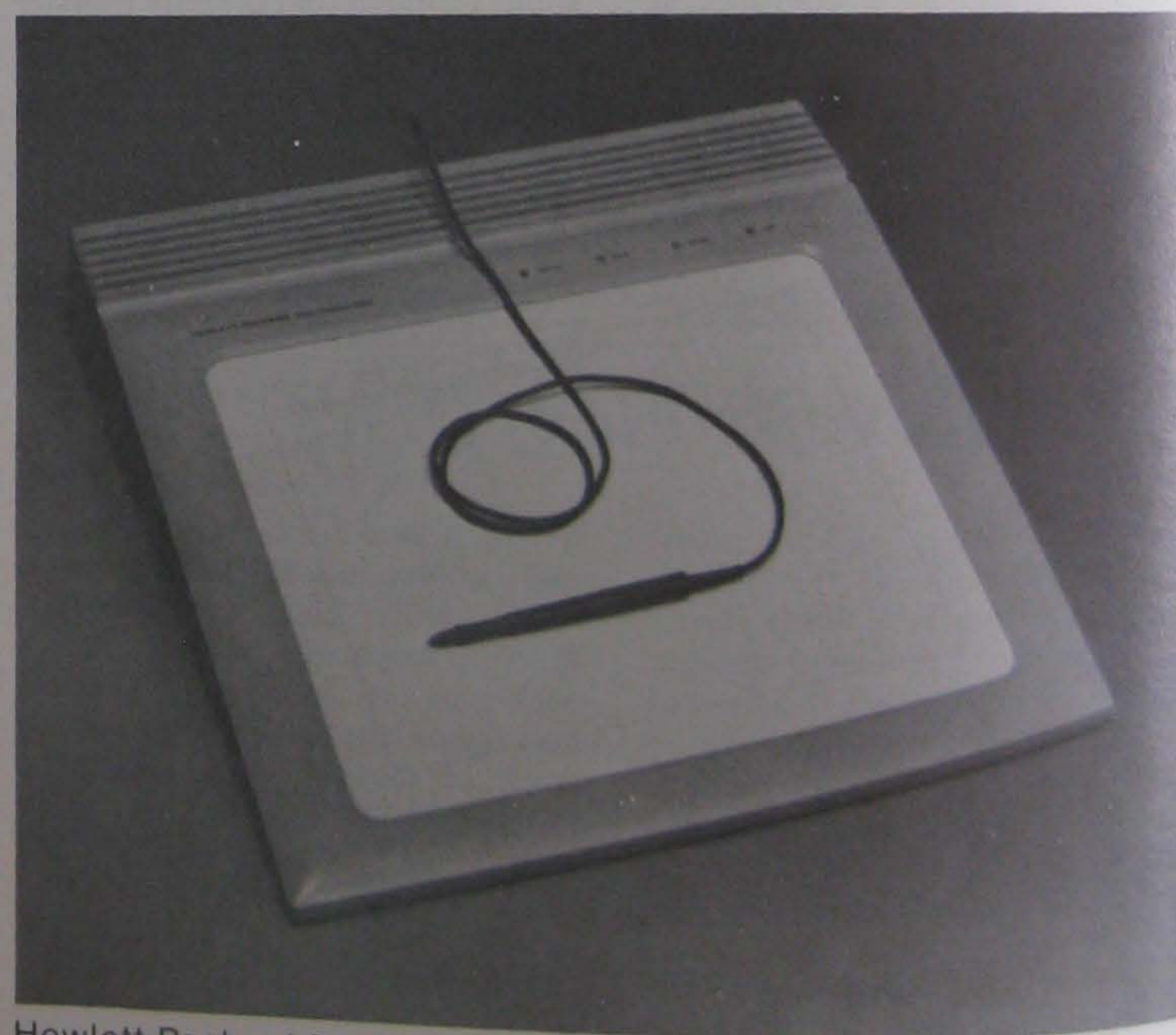
"The addition of the Graphics Tablet to the HP Series 80 peripherals lets us offer a complete one-vendor solution to the growing need for business and technical graphics," says Bill Loeber, product manager for the unit.

The 9111 graphics system, Loeber explains, comes with software

that makes it easy to trace and digitize existing designs or logos, to create new designs, and to measure areas and lengths of lines directly off maps or charts. The user may analyze digitized data using the HP Series 80 statistics pac, he added, and may plot out the results on an HP 7225B Graphics Plotter.

Suggested retail price of the HP 9111 Graphics Tablet is \$2,050, Loeber said.

HP 9111 Graphics Tablet—Circle No. 190 on product card



Hewlett-Packard Graphics Tablet

Your computer can talk to you with Votrax voice synthesizer

TROY, Mich.—Votrax, a pioneer in electronic speech synthesis, unveils a new low-cost text-to-speech synthesizer that "allows a hobbyist's personal computer to talk back to him in highly intelligible English words and phrases."

The unit, called Type-'N-Talk, carries a suggested retail price of only \$345.

With Type-'N-Talk, says Votrax, "Words can be spoken simultaneously as they are typed, or Type-'N-Talk's 750-character buffer will hold the words until the user prompts the computer to speak them in phrases or sentences."

"The computer," the company adds, "can verbally take the user

through a complex routine, prompting him through a financial or accounting process, for example. Used as a teaching aid, it can tell students when and why they correctly answered a question or performed a function. With computer-based games it can be programmed to respond with amusing comments, reminders, threats of danger, or praise. Even the smallest computer can execute programs and speech simultaneously because Type-'N-Talk does not require the use of a host computer's memory to produce speech."

Type-'N-Talk—Circle No. 480 product card



Votrax Type-'N-Talk voice synthesizer

Zgrass keyboard for Bally Arcade

COLUMBUS, Oh.—Astrovision makes available the Zgrass-32 computer keyboard.

The unit plugs into the Bally Arcade marketed by Astrovision, providing a full typewriter keyboard and number pad. The module also contains additional memory of 32K RAM and 24K ROM. The additional

RAM gives the user more space for creating and storing longer programs, while the extra 24K ROM offers powerful system software that makes this the "easiest computer to use," says the firm.

Zgrass computer—Circle No. 483 on product card

Edu-Ware releases Algebra 1 diskette learning program

CANOGA PARK, Calif.—Edu-Ware Services announces the release of Algebra 1, reportedly the first in a sequence of five computer-mediated instructional systems.

Algebra 1 is designed specifically to help learners gain and use fundamental tools and concepts in

beginning algebra. Each diskette which comprises the complete Algebra system stands completely independent of the others. As skills are fully mastered in one, additional units may be purchased.

Algebra 1 possesses the quality instructional design which dis-

tinguishes all Edu-Ware products, says the firm. New features include total color high-resolution graphics display, upper/lower case text for maximum clarity, and flow-charted "information maps" which mark the learner's progress. Comprehensive documentation describes

the system and its instructional prototype.

The program requires 3.3 DOS and 48K Applesoft. It lists for \$39.95.

Algebra 1—Circle No. 158 on product card



Dragon Fire™

Is untold wealth worth the risk?

Dragon Fire is a trademark of Level-10. Level-10 is a trademark of Dakin5 Corp. Apple is a trademark of Apple Computer Inc.

Salmadon is no ordinary creature. Fables describe him as a nightmare made flesh. His dungeon is ten (10) levels deep and filled with hideous creatures. They dwell within the maze of caverns for only one reason: to keep you from reaching the Great Dragon and his wealth. There is no map. The levels and rooms seem to rearrange themselves at will. As you battle your way deeper into the dungeons you find keys to the Great Dragon's lair. But which one is the magic key? Remember you cannot take the wealth from Salmadon's lair without slaying him, and you cannot slay the great dragon without one of the right keys. Dragon Fire is an intricate strategy adventure with 170 monsters guarding over 150 different treasures. The random generation of the rooms and mazes makes each game unique. It can be played on a color or black and white monitor. It includes sound, hi-res graphics and a "save the adventure" feature. Dragon Fire is written in Integer Basic for the Apple II and Apple II Plus with 1 disk drive and 48K RAM. Contact your local computer store, hobby store or contact Level-10, a division of Dakin5 Corporation, Post Office Box 21187, Denver, Colorado 80221.

LEVEL-10™

A DIVISION OF DAKIN5 CORPORATION

Circle No. 43 on product card

Learning aids take off with electronics

Cover Story

Continued from Page 1

with 10.7 million units sold, representing increases of 81 and 42 percent respectively. (These numbers are recently revised and differ from previously published reports.) The average price of the units, asserts NPD, is \$16.27. It should be noted, though, that this number takes into account the huge amount of software sold to supplement basic units, which retail for much higher tickets.

While technology has added the missing element of fun, parental concern with the state of this nation's school system is also viewed as a significant reason for learning aids' meteoric rise.

New Product Category

Says Bob Hoeger, senior buyer for the 52-unit Toy World chain, Burbank, Calif., "There is a very deep concern on the part of the consumer today about the education they're getting in the schools." Phillip Bloom, senior vice president, general merchandise manager for



Unisonic's TalkBack Talking Computer—Circle No. 341 on product card

the 110 Circus World stores headquartered in Taylor, Mich., adds: "Years ago there really wasn't any product in this category. Today, it's a combination of good product, fun, uniqueness and enjoyment by the children who are using these devices. They like to do it. The learning just happens to be there. But to them it's not a learning aid; it's a toy. I think the market recognizes that now. The products that used to be were boring. Learning aids consisted of puzzles, map puzzles, and perhaps some flash cards. It was just an extension of school. This is not the

electronic technology really impresses the parents more than the children. While science aids in the sale, it's not the main cause, he feels.

"The kids of today are growing up with technology that is unique and innovative to their parents but



Genie from Playskool—Circle No. 342

to the child is the norm," says Criona. "My kids think nothing of flipping on the TV or a videotape recorder or a cartridge-type game that plugs into a set, or watching a movie that comes over from a satellite miles above the earth; that's the norm for them."

More Growth Seen

Coleco vice president, marketing Michael Katz stresses that "the play has to be emphasized as much as learning. It has to be fun for the kids to enjoy and ask for these kinds of products. Electronics was a real plus. The magic of electronics made some of these learning exercises fun for the kids because they like the buttons, the sounds, the electronic response. Our philosophy is keep the 'play' in 'play and learn' as a very prominent thing. Make sure you're still selling fun to the kids, play to the kids. I think electronics have provided the opportunity to make these items fun for the kids, whereas in the past, things like flash cards and basic board games that were educational weren't that much fun."

"The reason we feel the '80s will be a big opportunity for the category, and for Mattel," says that firm's director of marketing, new ventures, Gerry Fried, "is because parents have created a new awareness. It is an awareness of education. Almost any paper you picked up this fall talked about teachers' strikes, busing, budget cutbacks. It's something that's a real focus of

that kind of attention to the area that's going to allow it to grow in the '80s."

'Fun Learning Centers'

Fried acknowledges, "We're going out and encouraging our customers in all the various classes of trade to establish within their retail stores what we would call a

some higher priced learning aids will sell. Says Alco Discount Stores' senior buyer John Zutavern, "I think we had to break that price barrier, and we have. Speak & Spell sold well when it was first introduced. But when they raised the price of it to about \$60, it really hurt. Now, I think the customer has recovered from the shock, so we can

"The play has to be emphasized as much as the learning. It has to be fun for the kids to enjoy."—Michael Katz, Coleco

'fun learning center.' We tell them to gather into a section or department other products that may be currently scattered in the stores, like TI's line of products and other less expensive types of fun learning items. We tell them to put a header card over it and start to create an area where customers can come to select those items."

Some eyebrows were raised at the last Toy Fair when Mattel unveiled its Children's Discovery System, which is slated to retail for around \$150, and Unisonic introduced its \$130 Mickey Mouse Talk Back Computer. Fried is not concerned that the price will drive consumers away. "What we're looking at here is something that is not going to be for everybody. It's not like a person would go out and buy a Hot Wheels or Barbie. There is a definite segment of people out there, and it's a fairly substantial one—at least 20 percent of the population—who have children between the ages of 6 and 11, who are interested in buying these products, and who have the financial wherewithal to make the purchase."

The Pricing Question

But Coleco's Katz does not believe there is a big market for higher-priced electronic play-and-learn products. "Our philosophy is still to introduce products that can retail for under \$50 and hopefully under \$40 at retail. We think you've got to keep the products popularly priced. They're being positioned at younger kids. In a lot of cases it is not a major family purchase."

Still, buyers are willing to bet

sell a higher priced product."



Texas Instruments Speak & Spell—Circle No. 344 on product card

Zutavern contends the customers who file through his 73-unit chain based in Abilene, Kansas are not "cheap." He views them as conscientious. "I think that when they're buying something for a child, they do want a value, and they want something that is going to hold up well."

Circus World's Bloom states his chain will carry the Mattel item and other high-priced aids "to some degree. We are going to try it and see if there is a market out there."

He continues: "The high price does not necessarily say that the item will not sell. If there is a value and the customer recognizes it, it will move."

"Three years ago we didn't think we would sell a Texas Instruments' Speak & Spell. If you talked about \$59 or \$69, you were considered crazy. But obviously there was

Continued on Page 63

"The products that used to be were boring. This is not the case anymore."—Phillip Bloom, Circus World

case anymore. Now we have electronic games, and learning just happens to go along with them."

Notes Dimitri Criona, product manager, Entex Industries: "Traditionally, educational toys have not marketed. When you said 'educational,' there was a problem." Criona believes, however, that

attention right now, and parents are recognizing the impact that it's having on the kids. Subjects are getting cut, teacher-to-student ratios are increasing, and all of these things, we feel, are very positive in creating an interest in what kind of aid can be given to children, what can be done to help them at home. We think it's



Tiger's K-2-8 Talking Learning Computer—Circle No. 343

Electronics give learning aid sales a boost

Continued from Page 60

something unique that the customer wanted and was willing to pay that kind of price for. The same thing is true today, where we ask, 'Are they going to pay \$150?' If the manufacturers' promotions are capable of instilling in the consumer the idea that the item is worth that kind of money as an investment, I think the customer will react positively to that."

Part of TI's success, says Steve Lapinski, marketing manager, electronic learning aids, is exactly because the firm has created a perceived value. "Our software enhances the growth of the child," he says. Value-added software allows the consumer to expand the level of difficulty as a child grows, he contends. Additionally, he notes, the interchangeable software modules allow a family to use the item with several different children in varying age groups.

Concerned Over Prices

Mel Squires, merchandise manager of Paramus-based A. Ponnock, Inc., argues, "For a toy distributor, those price points [over \$100] put me out of the ballgame. You're coming off a year where electronics were difficult, and I certainly don't feel we can take the risk that's involved in a high-priced item. I would be surprised if they were good up against some of the television merchandise. I think they're getting much too close to the same price points as the home TV items."

"I just don't believe the consumer will be out there buying. We're telling our customers to buy short and to use us as their warehouse because they can't afford to take any more risks than I



Learning aids are displayed alongside calculators in Bloomingdales (N.Y.) electronics department.

can. We do think the category will be a strong one within the electronic field, probably the strongest area in what we call handheld or tabletop merchandise," says Squires. "The sports area has been demolished by closeouts, by off-price merchandise, and it seems this educational area has emerged as the only very viable area left. With the exception of Coleco's Head to Head and a handful of others, I think the business has really swung dramatically to Atari and Intellivision."

Still, Squires will offer his customers a variety of learning aids, including TI products and Coleco's line.

Give Customer A Choice

Until recently, Alco Discount Stores were severely limited in their line of learning aids. Buyer Zutavern acknowledges he hopes to add Coleco and Tiger items in the fall. "If I go into a program, it's going to be in all but a very few

stores. I don't think you should get into a line of merchandise, I don't care what it is, and not give the customer a choice. You have to have at least three or four items."

Currently learning aids are positioned in the same area as calculators, cameras and other electronic items in Alco stores. Zutavern reports the products are displayed in glass cases which are always locked for security reasons. He adds, "We're seriously considering offering a full line of software," but space limitations may prevent this.

Zutavern hopes to have all his learning aids in place for the back-to-school period, when he plans to promote them at cost or slightly above in newspaper advertisements and in the chain's mailed circulars.

At Circus World, Phillip Bloom asserts all the decisions have not yet



Mattel Children's Discovery System—Circle No. 346

been made. "We're carrying almost every major brand electronic learning device that's available in some degree. We don't keep anything super-deep in our stores. We're a warehouse operation, and we buy for a replenishment/turn type of basis into the stores." Price points range from \$9.99 to \$150 and the stores devote eight linear feet to the category. He says, "When we display them, we merchandise them all together, and it creates a small section or area within our total electronics department, much like a subcategory."

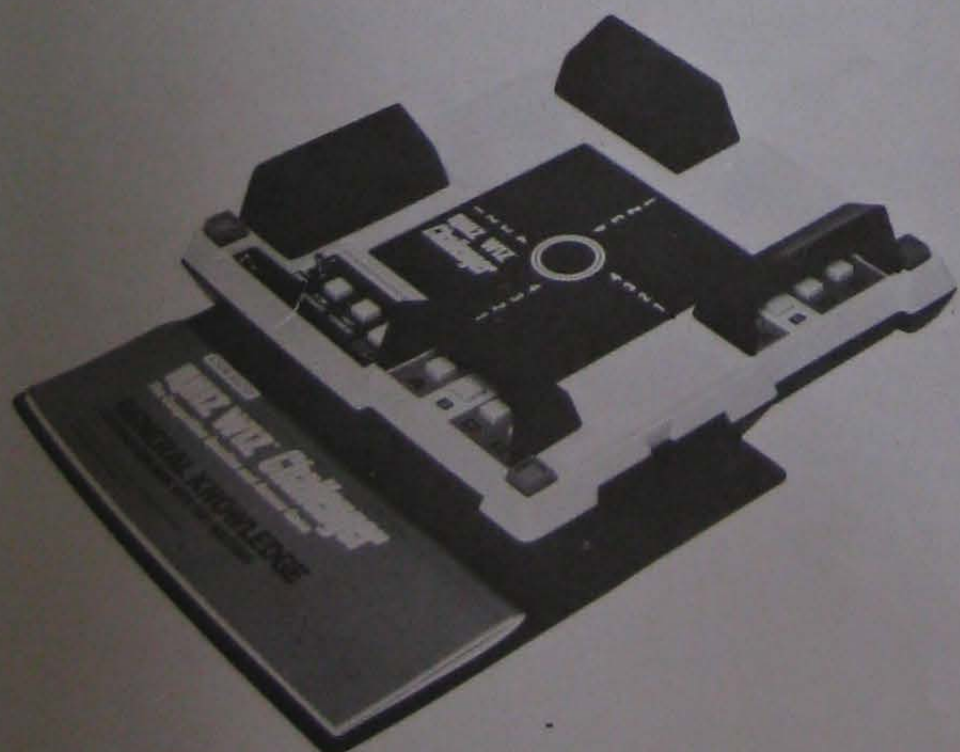
Bloom continues, "We promote throughout the year—and, of course, at key times like back-to-school and the fourth quarter. We run promotions in conjunction with television or print advertising that the manufacturers might be doing." He adds that on Circus World's print ads, "They would be promoted as electronic learning aids, but they are part of a 20- or 30-item ad."

At Toy World, Bob Hoeger admits, "We do have a definite plan to have a separate electronic section devoted to learning aids. Basically it will be a 4-foot section on the wall and a 4-foot case for individual

Continued on Page 64

"We think the category will be a strong one within the electronic field."

—Mel Squires, A. Ponnock



Quiz Wiz Challenger—Circle No. 345 on product card



SUPER FOOTBALL: Dave Browning (No. 73) of the Super Bowl XV Champion Oakland Raiders plays Mattel Electronics' Intellivision NFL Football with a contestant in the "Fanatic Fan" competition held at Harrah's in Reno. Entrants had 30 seconds to tell why they were the most fanatic of the Raider's fans. Grand prize was an Intellivision Master Component.

Software important in learning aid sales

Continued from Page 63

product for demonstration purposes. The category will be significantly designated. I think most of our efforts will be applied to the nationally known brands. The other vendors have not presented to

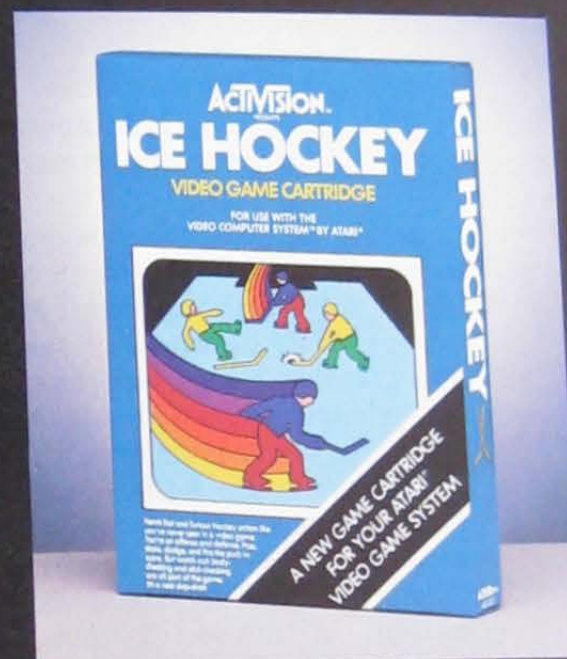
me a viable product." He notes, however, "I am looking at Tiger's K-2-8."

Hoeger says software is "a very important part" of merchandising the category. "We'll go all the way," he says, and will have a total

of more than 35 SKUs. "Our promotional efforts will be primarily in the fourth quarter, but we're looking at the September back-to-school period."

Circus World will be "phasing into software," says Bloom. "When the

item starts to get sales, we will then immediately go back into software. Initially we would have to believe in the item to a very great degree before we would go in and put in extensive software right at the beginning. We do do that also."



new.

he says. "We feel if the customer sees just a unit and one cartridge, he'll say to himself, 'I'm not willing to make a \$20 or \$25 investment in this thing. Where do I go from here?'"

Cartridges Needed

Bloom contends that if a customer sees a full range of software he'll think, "Hey, look at all these car-

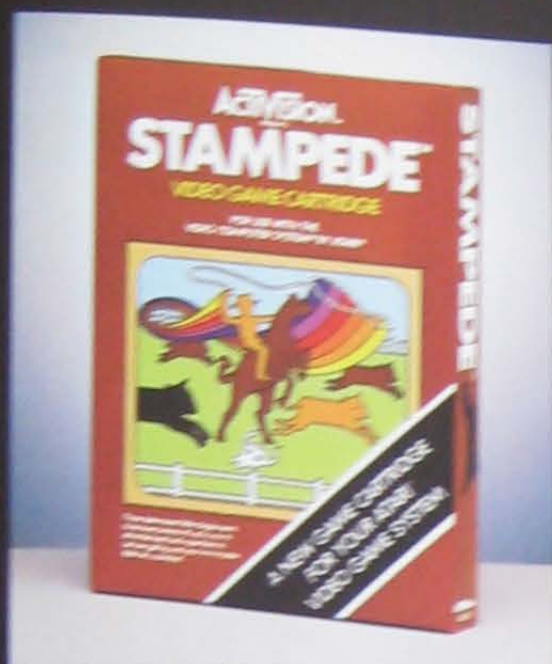
tridges here. I can come back and for another \$5 or \$6.99, I can really expand this thing." They then have more confidence in the item," he says. He stresses, though, "We would not go in deep until an item proved itself, but we would initially put in some additional software. Even with the Mattel item, no customer in his right mind would invest that kind of money unless

he saw a software display and knew that this thing was not just going to disappear from the world tomorrow.

"The Unisonics and the Mattels obviously have to prove themselves first. It's a risky thing, and we would go very cautiously until we see what's going to happen. They have a story to tell, and if they don't get it across in print and on

television, it's just not going to happen. Just sitting on the counter, those items are not going to sell."

While everyone will be watching to see if the higher-priced goods take off, all are confident the category is a viable one and here to stay. Says Coleco's Michael Katz, "We think the market will be very strong, and we think the market will grow 40 to 50 percent this year." ■



new.

ICE HOCKEY AND STAMPEDE™

Activision's two newest game cartridges for use with the Atari® Video Computer System™ and Sears Tele-Game™ Video Arcade. They're coming this December.

You expected to see, maybe, cow punchers galloping across the page? And hockey players thrashing about furiously? Well, we just couldn't. It wouldn't even begin to tell the story.

Why?

ICE HOCKEY. CAPITAL I. CAPITAL H. Face-offs. Body-checking. Stick-checking. Defensemen. Goalies. 32 separate shot angles, and so much more. That's why.

DOGIES. DOGIES. DOGIES.

Ride fast. And rope faster. Those little critters are all worth points. But, keep your eyes peeled! When an old skull pops up on the trail, your horse better be prepared to do some fancy footwork.

And you should be prepared to take a close look at the entire Activision catalogue of extraordinary video games. Stop by Booth #2151 at the Consumer Electronics Show in Chicago and give them a play. Because, a picture may be worth a thousand words, but a few minutes with our games is worth a thousand ads.

ACTIVISION™
BEATS THE REAL THING.

© Activision, 1981. Atari® and Video Computer System™ are trademarks of Atari, Inc. Tele-Game™ and Video Arcade™ are trademarks of Sears, Roebuck & Co.



Fidelity Electronics' Mini Sensory Chess Challenger.

Mini Chess game plays opponents any time, anywhere

MIAMI—The Fidelity Electronics Mini Sensory Chess Challenger is a battery-operated, computerized chess opponent that plays any time and anywhere.

According to the company, the advanced sensory playboard automatically recognizes and records every move. Brightly lit LEDs and beep tones graphically and audibly tell the player of the computer's response. The game perceives its opponent's moves when the player presses down on the piece he intends to move, designating his "from" location. When he presses the same piece down on his "to" location, the computer instantly knows which piece was moved and where it was moved to.

Three levels of play are offered—beginner, intermediate and advanced—plus an infinite level for solving "Mate in Two" problems. Mini Sensory Chess Challenger also features a problem mode which allows the player to set up piece positions to work out problems. Replaceable plug-in modules will include an advanced chess program, popular chess book openings, Greatest Chess Master Games, Checkers, Reversi, and Mini Gomoku.

Mini Sensory Chess Challenger
—Circle No. 256

Football game has animated team

HAWTHORNE, Calif.—Mattel Electronics offers a self-contained electronic football game with two-player capability.

World Championship Football is a tabletop game which combines pro football's traditional excitement with "far-reaching technological advances that move World Championship Football beyond previous Mattel Electronics football games," says the firm.

The game features a vacuum fluorescent display that realistically shows shaped, animated team members in color-coded jerseys. Increased computer capacity allows player-vs.-computer or player-vs.-player competition on four different skill levels.



Mattel Electronics' World Championship football.

Players control the quarterback and program primary and secondary pass receivers on the five-man offense by choosing one of five offensive formations.

The player on defense controls the safety position and programs the linebacker in a man-to-man alignment, then adjusts the formation once the offense is positioned. The computer controls the two remaining defensive linemen and the two-man offensive line.

Pass interceptions and incomplections, fumbles, penalties, kick-offs, punts and special defensive formations heighten the excitement.

World Championship Football—
Circle No. 157 on product card

Activision releases two new video cartridges

SANTA CLARA, Calif.—Activision releases two new videogame cartridges designed for use with the Atari Video Computer System and Sears Tele-Game Video Arcade programmable games.

Freeway and Kaboom! bring to 10 the number of game cartridges available from the independent software design firm.

Freeway features eight different games with variations of 10 lanes of traffic—from a few scattered cars moving slowly, to high-speed, bumper-to-bumper cars and trucks. The player uses the joystick controller to maneuver a chicken from one side of the freeway to the other. Each successful crossing scores a point. The game may be played by one or two players.

Kaboom! features a "Mad Bomber"—a meticulously animated cartoon convict, complete with a mask and a variety of facial expressions. He roams back and forth across the top of the television screen dropping black bombs with fuses. The player controls a group of three water buckets with a paddle controller and must catch the bombs as they fall, thus dousing the fuses.



Activision introduces two new video game cartridges.

Each bomb caught adds to the player's point total. When a bomb is missed, all bombs on the screen explode, and the player loses one of his water buckets. When all buckets are gone, the game is over. Up to two can play.



Both games carry a suggested retail price of \$22.95 and will be shipped in July.

Freeway—Circle No. 229 on product card
Kaboom!—Circle No. 230

Atari's Missile Command now available in home version

SUNNYVALE, Calif.—Missile Command, a popular coin-operated video arcade game, is now available in a home video game version from Atari, creator and manufacturer of both products.

The game is being introduced for home use "largely due to its success as an arcade game and in response to consumer demand," reports the firm. Designed for use on the Atari Video Computer System, the Missile Command game cartridge is a one or two-

player game that uses joysticks and offers 34 game variations.

The game begins with wave after wave of enemy missiles raining down on an earth missile base and six surrounding cities. The player, as base commander, is responsible for protecting and defending the territory from enemy attack. The base commander has 30 guided defense missiles to combat the enemy. These destroy the enemy's projectiles when exploded in their path. Each successive wave of

attacking missiles comes faster than the previous one and the game continues until all cities and the missile bases are lost.

After the sixth wave of enemy missiles, smart cruise missiles attack the earth's forces. Shaped like satellites, they can detect and evade missile explosions. Unless the player can place the defense missile target directly on the smart enemy missile, the enemy will be successful in getting through to one of the cities or the missile bases.

Dumb enemy cruise missiles are easier to stop, they can't detect defense movements and travel in a straight line.

Suggested retail price is \$31.95, and cartridges are now available. With the addition of Missile Command, the Video Computer System Game library has expanded to a total of 43 game cartridges, with more under development.

Missile Command—Circle No. 170 on product card

HOW TO TURN YOUR WRIST INTO A BOWLING ALLEY.

You don't need your beat-up bowling ball and your shirt with "Alley Cats" written on the back.

All you need is Tomytronic™ Wrist Bowling, and you can go bowling on your wrist.

With Tomytronic Wrist Bowling, you can actually control the tiny bowling ball so it will hook, slice, or go straight toward the pins. A digital readout shows strikes, spares, and your total score. Wrist Bowling is so much like real bowling, about the only thing you'll miss is the gutter that you usually wind up rolling into.

If you want to play Wrist Bowling with a friend, all you have to do is say, "Ey, Norten, let's go bowling." Or, if Norten isn't around, you can play Wrist Bowling by yourself.

In addition to being an electronic game, Tomytronic Wrist Bowling is also a watch, stop watch, and an alarm, all rolled into one great little electronic instrument.

So if you sell electronic games, be sure to stock up on Tomytronic Wrist Bowling.

You'll have a lot of customers turning their wrists into bowling alleys.

And you'll be turning a nice profit.

©1981 Tomy Corp., 901 E. 233rd St., Carson, CA 90745. (213) 775-7585.



Entex introduces handheld 'house of mirrors'

COMPTON, Calif.—Entex Industries introduces a "miniature house of mirrors," an arcade of games and a trip computer for bicycles.

With the new 3-D Escape electronic maze game's complex LCD display, players can get hopelessly

lost in the "miniature house of mirrors," a game that offers 1,000 separate mazes to wander through. The LCD display creates the three-dimensional illusion of traveling down corridors.

Joining the maze in the use of

LCD is the 3-D Grand Prix car racing game, in which a player can brake and accelerate at speeds from 50 to 200 miles an hour—while watching out for slower or stalled cars as fence posts flash past.

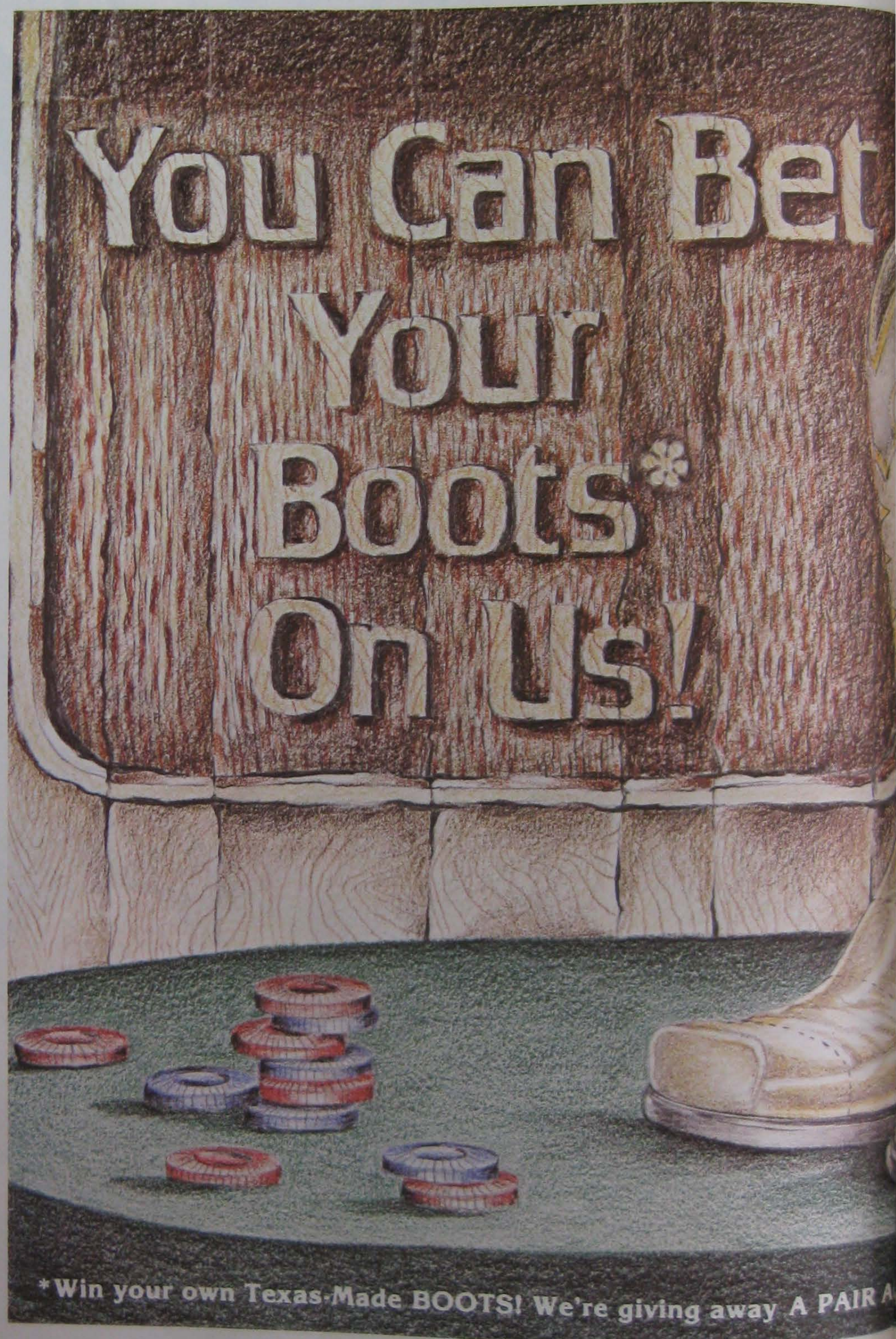
The Bike Computer is a compact,

weatherproof system with an LCD that tells riders their speed.

3-D Escape—Circle No. 207 on product card

3-D Grand Prix—Circle No. 208

Bike Computer—Circle No. 209



You Can Bet Your Boots* On Us!

***Win your own Texas-Made BOOTS! We're giving away A PAIR A**

SciSys Computer planning full line of 'smart' chess games

NEW YORK—SciSys Computer, an OEM supplier of store-branded electronic chess games, announces plans to introduce a full line of electronic "intelligent" chess games bearing the SciSys corporate imprint. These intelligent machines are

not designed solely for the chess enthusiast who will only buy the top of the line, contends the firm. Various models are suited for the novice, and all are designed to teach the strategy of chess. The full-line concept reportedly enables SciSys to manufacture chess games that


are suited for competitive play against all but one percent of human chess players.

Future plans call for increasingly sophisticated chess games as well as additional non-chess "intelligent" games for the adult market.

The firm reports, "From the start

we've been committed to manufacturing the thinking person's chess computer. We will continue to do this as consistently in the future as we have in the past."

Intelligent Games—Circle No. 272 on product card



At a time like this, when you are required to keep your inventories under very tight control, you can't afford to gamble on anything but the very best! And you've got the best when you stock Applied Concepts' electronic strategy games. We're telling the consumer that too, in a national advertising and promotional campaign as seen on TV and in FORTUNE MAGAZINE, NEWSWEEK, WALL STREET JOURNAL and most of the major airline in-flight publications.

Texas has long been famous for its high calibre products — whether it be beef, bluebonnets, oil or football teams — and Applied Concepts is proud to carry on that tradition in the electronic entertainment field.

Of course you are the dealer. You have to know when to hold 'em, know when to fold 'em — and know when to go for it all.

With products like our chess playing robot, HANDroid; the GREAT GAME MACHINE multi-game computer; and a library of award winning strategy game cartridges, all on display in your store or showroom, you're bound to be holding the high hand.

**BETCHA BOOTS!
YOU'LL WIN WITH US!**

**APPLIED
CONCEPTS INC**

The company that gave you DORIS and 2.5 CHES



ALL HOUR throughout the CES show. Come to Booth 1969 and register.

Circle No. 38 on product card

3M promotion works to build store traffic

ST. PAUL, Minn.—A traffic-builder promotion from 3M, slated to run through Sept. 4, offers consumers a free videocassette for every five Scotch VHS or Beta-format tapes they buy.

According to Joe Williams of the firm's Home Entertainment Products Department, the promotion is designed to increase store traffic and turn stock inventory without reducing profit. As an added incentive for retailers, a special price on Scotch VHS T-120s and Beta L-500s is being offered through June 12, 1981.

For a consumer to take advantage of the offer, he has to send five customer service cards (prepacked with each Scotch videocassette) and dated sales slips to the 3M redemption center. Free mailing envelopes will be available at the dealers' counters. 3M will then send a Scotch VHS T-120 or Beta L-500 to the consumer, up to a maximum of four free tapes per customer.

The promotion is geared toward the frequent user, giving him a "further incentive to purchase Scotch videocassettes," says Williams. "Additionally, the promotion is designed to move the purchaser of three or four cassettes to buy five. This will be good business for the retailer and us," he concludes.

Tape Promo—Circle No. 196 on product card

Showtime catalogs serve as sales aids, training tools

TILLAMOOK, Ore.—Showtime Video Ventures offers dealers two sales aids designed to increase the knowledge of their staffs in marketing accessory items.

Offered are two catalogs. The first is an educational manual providing a simplified introduction to some of the signals used in video recording and processing. The manual also contains introductory information on televisions and VCRs, video formats and VCR installation.

The second item is a product catalog with brief descriptions and pictures of the Showtime Video Ventures line. The catalog can be used for a dealer's existing staff or it can be used in conjunction with an actual sale, providing the consumer with information about the products.

Video Catalogs—Circle No. 228 on product card

Webcor display adds zip to retailers counters

PLAINVIEW, N.Y.—The Webcor Division of Leisurecraft Products announces availability of a smoke-grey lucite point-of-purchase display to aid in-store sales of the Webcor Zip Cordless Phone Model 555.

Reportedly, the display is the only one on the market to include an actual phone which can be locked securely on the frame.

The display features the Zip Cordless Remote phone and base unit securely cradled in its lucite frame. The point-of-purchase display clearly defines, in layman terms, the unique features of the Webcor Zip Cordless Phone Model 555. The features listed are: "works on either rotary or tone dialing systems, can automatically redial last number dialed, automatic recharging, call button signals remote unit from base, remote unit operates up to 500 feet from base." Says Webcor, "this convenient and easy-to-understand sales tool assures that customers can learn about the Zip Cordless Phone without sales assistance."

The firm contends the best sales pitch for this phone is a demonstration of "its crisp voice transmission through the convenient cordless remote unit at distances up to 500

feet. And for that purpose, the cord of the base unit slips permanently through the back of the lucite frame for easy attachment to any standard modular jack and to a 110 volt outlet." The remote unit can be secured in place on the lucite frame or removed for customer demonstration.

The Webcor Cordless Phone

Model 555 POP display is similar to one which is also now available for the Webcor Zip Cordless Phone Model 575 which has a 700 foot range, the last number redial button, the full intercom feature, plus an added security switch.

Webcor Displays—Circle No. 234 on product card



Webcor's cordless phone displays.

Motorized carousel performs double duty

VAN NUYS, Calif.—VCX introduces the carousel, a seven-foot-high, three-foot-wide motorized display that will be given to any distributor or retailer on consignment for as long as he remains a customer of VCX.

The carousel performs double duty—as both a self-contained merchandise display unit and a mini-tape department ideal for video outlets with limited display facilities—says the firm.

The attractively designed, fully lit color unit includes room for 60 tapes individually mounted on the hexagon-shaped cylinder. The rotating interior allows customers to view available or featured selections through a clear plexiglass exterior.



VCX' carousel

A stationary storage compartment at the bottom of the display center holds up to 100 tapes. Adding to the convenience and thorough design,

reports VCX, are the double locks on both the display cabinet and storage compartment.

The carousel is available in both VCX and VCII models. VCX displays the adult film products while VCII, (a subsidiary company) displays general audience films and musicals.

Other merchandising aids available from the company include visual catalogs in the form of 30- and 60-minute preview programs; a wide variety of full color, laminated catalogs and counter cards; four color flyers and giant posters.

Carousel—Circle No. 267 on product card

Other aids—Circle No. 268

Media Home Entertainment program 'guarantees' high profits

LOS ANGELES—Media Home Entertainment, a leading duplicator and distributor of prerecorded videocassettes, announces its 1981 "QSP" (Quality + Service = Profits) marketing and promotion campaign, a program which the company says "guarantees the highest profit margins in the video industry for distributors and dealers, and the lowest prices."

The QSP program assures distrib-

utors of profits ranging from 14 to 27 percent, ensures that dealers will earn profit margins of 30 to 35 percent, and offers retail prices to consumers of just \$24.95 to \$54.95 per cassette, says Ronald A. Safinick, president of Media.

The company's products are available in VHS and Beta configurations and in both PAL and NTSC formats.

As part of its new program, the

company has introduced a lifetime quality warranty on all of its products. The campaign also features a creative merchandising package of promotional materials.

The promo materials include point-of-purchase sales aids, posters, displays, storage cases and racks, consumer brochures and catalogues, and other items.

Media Home Entertainment—Circle No. 200 on product card

'Salesman' remains silent

HICKSVILLE, N.Y.—Beyer Dynamic calls its "Beyer Bar" a unique, in-store silent salesman for Beyer Headphones.

The bar is a vehicle that allows the consumer to help himself to the lightweight DT 302, electrostat ET 1000s, closed style DT 220, or open-air DT 440 and DT 441 headphones, listen to music and choose the model he prefers.

The Beyer Bar is supplied free with the purchase of a recommended 36-piece headphone assortment. Additional displays are \$350

each. Every display is shipped in knockdown form in three crates, and can be assembled in a few minutes with common hand tools, reports the firm.

The unit securely stores 36 headphones in its lockable base. The back panel of the bar has selling points for each model displayed, and each phone is suspended on a retractable cord, says the manufacturer.

Beyer Bar—Circle No. 241 on product card

High Technology offers dealers full service computer program

ST. LOUIS—High Technology wholesale distributor of computing products, offers retailers a Full Service Dealer program designed to aid retailers in their sales of personal computer merchandise.

According to High Technology's Joseph Dahlem, the 1980s present a whole new era with several rapidly emerging trends that dealers must be aware of, including a more sophisticated consumer, a more demanding manufacturer, a growing number of corporate retail chains, growing opportunities and increasing risks. "If such trends continue unchecked," says Dahlem, "the independent retailer will be crushed between the pressure of the corporate chains and the demands of the new market."

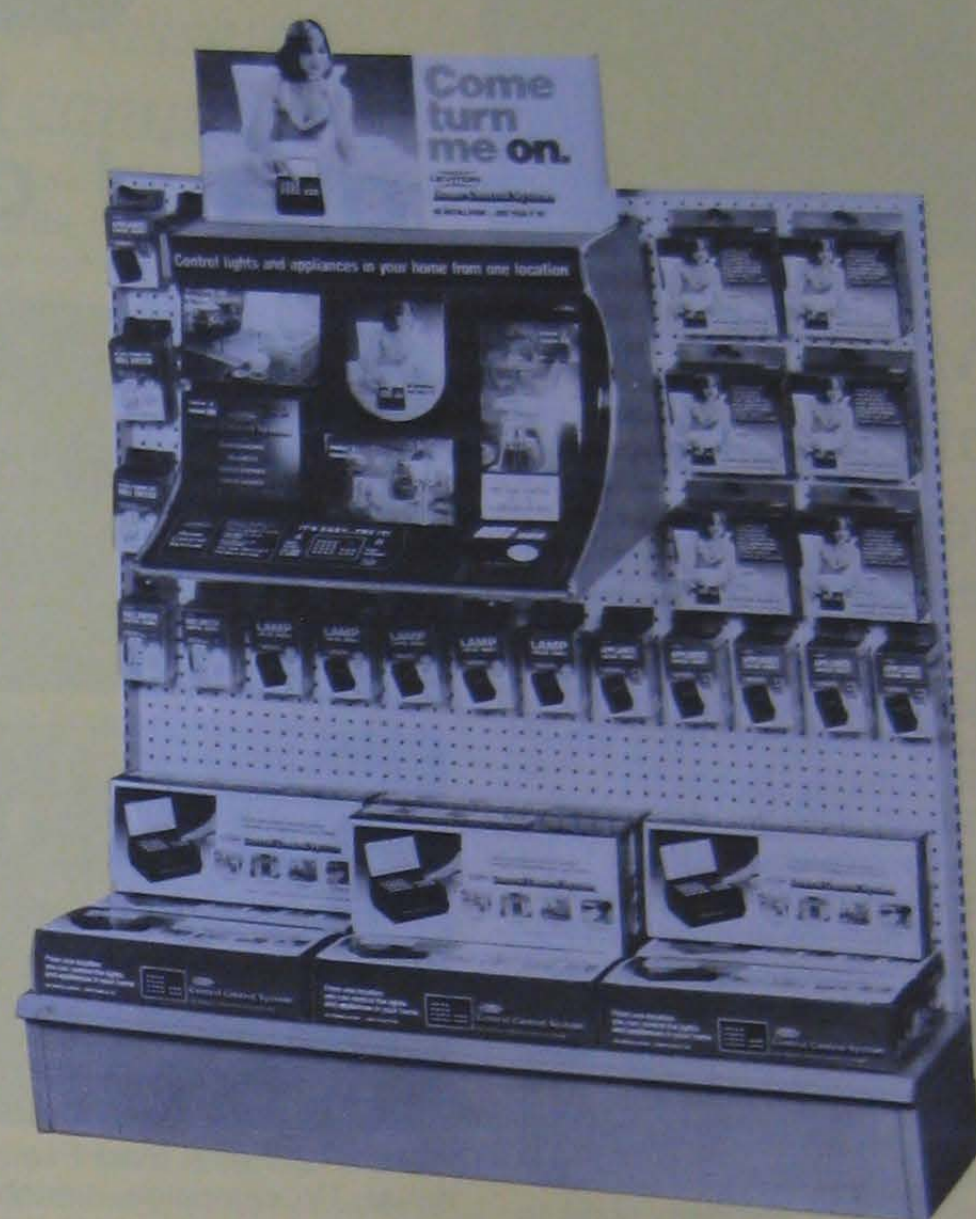
According to the firm, High Technology's Full Service Dealer program addresses these concerns through 24-hour ordering service, same-day shipping, a priority order plan, a courtesy exchange program, and a honeymoon return plan that "as-

ures the new full-service dealer of a smooth introduction to the proper inventory levels for his store." Terms of this plan permit a dealer to return any unwanted merchandise in 100 percent saleable condition for up to 90 days from date of delivery.

Other aspects of the program include a competitive pricing program, initial order discounts and marketing plan discounts. High Technology offers credit plans and credit referrals. A service training program, co-op advertising dollars and an awards program are also part of the plan.

Additionally, the firm polls its dealers on a semi-annual basis, tabulates and publishes the results, offers monthly status reports to update the dealer as to his standing, and mails product availability lists highlighting current trends on a national level.

Full Service Dealer—Circle No. 242 on product card



Leviton's Home Control System

Unit turns on consumers

LITTLE NECK, N.Y.—Leviton offers a point-of-purchase display for its Home Control System, the modular plug-in remote control microprocessor system that controls lights and appliances from one location.

The display unit is a vacuum-formed pop-out design which reflects transparent color pictures that tell the product story. Various elements are built into the display so that a prospective buyer can actually work the display. Instruc-

tions tell the consumer how to turn on up to 16 lights and appliances.

The display unit resembles a nickelodeon and has been designed to sit on a counter or hang on a pegboard. The individual products that comprise the system are packaged in full-color, hang-style boxes to set up an overall display that appeals to the customer, says the firm.

Control Display—Circle No. 214 on product card

Allsop cassette display actually cleans tape

BELLINGHAM, Wash.—Allsop, Inc. offers a point-of-purchase display for its Allsop 3 audio cassette cleaner.

A compact, clean-looking box has what looks like the controls of a cassette tape recorder with an Allsop cassette already in position. Pressing the "play" button activates a battery-operated motor which rotates the head cleaning arm. The capstan and pinch roller then engage their own separate felt pad.

The self-contained display comes complete with batteries and tape care literature ready for immediate use.

The company has a "comprehensive" self-shipper program that

includes a full-color display which assembles in minutes and comes with 120 audio cleaners, reports Allsop.

With the self-shipper, retailers also receive 20 refills, 50 pieces of consumer "take one" point-of-sale literature, plus the same demonstration unit mentioned above—all free from Allsop.

The Allsop 3 Video Cassette Cleaner is also available in a self-shipper display package which includes 10 video cleaners and 25 pieces of consumer literature.

Audio cleaner display—Circle No. 235 on product card
Video cleaner display—Circle No. 236



Allsop 3 audio cassette cleaner display

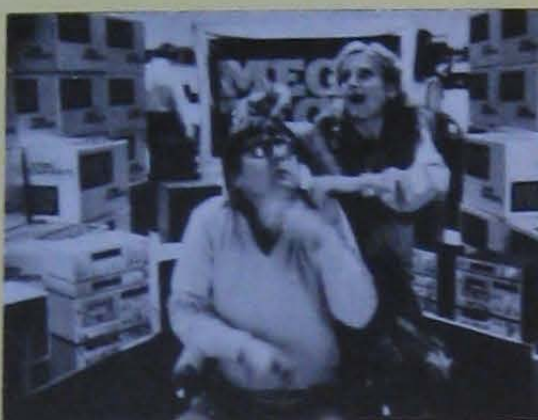
b r o a d c a s t

Megatron TV
blitz earns
repeat play

FRANKLIN LAKES, N.J.—Megatron, marketer of the Mega Tech brand of audio/hi-fi equipment, is concluding its second heavy advertising effort since entering the market.

Based on the success of its introductory advertising campaign, the firm launched a second blitz to coincide with the Mother's Day and graduation buying period. In addition to the current Mega Tech line of stereo radio cassette recorders, turntables, speakers, micro-component systems and graphic equalizers, the company plans to add full-size cassette decks and receivers to its line.

Megatron's initial advertising began the day after Christmas, 1980, and continued through February, 1981. The creative approach was directed to the non-traditional audio market. Instead of concentrating its efforts on audiophiles who already own equipment, Megatron targeted "audio neophytes," described as that segment of the market that is baffled by audio buzz words such as woofers, quartz lock, and linear tracking. The theme used—"Sound So Full It Even Feels Full" expressed the simple listening pleasure offered



"Sound So Full It Even Feels Full" was the story line for Megatron's initial TV campaign, which was supplemented with transit and billboard advertising to build strong logo and name awareness during the Mega Tech brand introduction.

by Mega Tech products, the company explains. The campaign was developed by Dancer-Fitzgerald-Sample, New York.

Concentrating in the New York, New Jersey and Connecticut areas, the television effort reportedly reached over 90 percent of all men and women, aged 18-34, an average of 10 times. The firm contends that during January, Mega Tech was the most heavily advertised product on television. The television showcase included top shows and specials such as *Dallas*, *M*A*S*H*, *Grand Prix*



Appealing to "audio neophytes" who might be baffled by audio buzz words, Megatron promoted its Mega Tech brand of audio hi-fi components with a successful TV blitz emphasizing the theme of simple pleasure in listening.



Tennis, *Saturday Night Live*, most college bowl games and the Superbowl. In addition to TV, Mega Tech employed supporting transit and billboard advertising to build strong logo and name awareness during the introduction.

The firm contends that retailers as well as the public responded favorably to the Mega Tech message. From a standing start, Megatron succeeded in placing its line in Stereo Magic, Sam Goody's, U.S. Stereo, Crazy Eddie's, Grand Central Cameras, Continental Sound, and all Abraham & Strauss stores. In addition, stores in Philadelphia, Houston, Chicago and Cleveland (where there was no advertising) requested the line on the strength of the product itself and Megatron's long-term commitment to the industry, says the firm.

The company's decision to enter the audio/hi-fi field with a medium-priced line, backed by heavy advertising expenditures, is a reflection of the current state of the marketplace, asserts Megatron.

Megatron's president, David Mazzella, says that the entire audio field has been unadvertised—so underadvertised that 43 percent of the general U.S. population could not name one brand of hi-fi equipment when asked to by a leading industry publication survey.

TDK refines,
reintroduces
ad schedule

GARDEN CITY, N.Y.—TDK Electronics has refined its "The Vision Of The Future" media campaign and will reintroduce four insertions in July.

The company's video campaign for its Super Avilyn video tapes first broke in buff-consumer and select general consumer publications almost a year ago. The new campaign consists of four color and black-and-white insertions and has been expanded to include more general consumer publications. The focus of the video program is on the major problems caused by inferior video tape: blur, graininess, bleeding colors, skew, jitters, and dropouts. The campaign takes an educational approach to these problems, detailing how TDK Super Avilyn video tapes remedy them.

The video campaign is part of a four-pronged consumer



"Music Lives on TDK" was the message of a TDK 30-second video commercial on its lines of audio cassettes.

advertising and marketing program launched earlier in the year. Comprised of network television and radio, outdoor billboards, as well as buff- and general-consumer print vehicles, the program has been gradually introduced to the high-end audio, mass-market audio, video, and corporate markets since January, reports the firm.

For the corporation's audio product line, two campaigns are running concurrently in support of the Reference and Premium Series of audio tapes. The "Machine For Your Machine" campaign, first introduced in 1975, has been expanded and will continue to run in major buff-consumer publications in support of the TDK Reference Series of MA-R metal bias, SA-Z high bias, OD

Continued on Page 73

Mattel TV ads promote sports games

HAWTHORNE, Calif.—Mattel Electronics reports it has created "exciting and dynamic" television commercials in support of World Championship Football and World Championship Baseball.

The innovators of electronic sports games with the original Football game, Mattel Electronics presents World Championship Football and World Championship Baseball as representative of "state-of-the-art" technological sophistication in self-contained electronic games, says the firm.

Specifically developed for the hardcore sports fan, both World Championship games feature vacuum fluorescent displays that show realistically shaped team members in colored uniforms for easier team identification.

The theme of realistically shaped players has been carried into the television commercials

produced for Mattel Electronics by its advertising agency, Ogilvy & Mather. A network fall TV campaign is planned for both products.

In the commercials, animated figures run onto the real-life playing field, appearing very much like the animated team members in the electronic games.

The ads note that World Championship games provide players with the challenge, competition and strategy of coaching a professional team.

The World Championship Football ad explains the "thinking" computer enables players to make strategy decisions and call plays just like real football quarterbacks do. An unlimited number of plays can be programmed, including passes, hand-offs, laterals and screens.

The World Championship Baseball commercial notes the game permits players to choose team line-ups from a 15-man roster, which is included with the game's instructions, or select a standard line-up.

TDK intros new cassette ad campaign

Continued from Page 72

For the firm's Premium Series audio tapes, TDK has refined the original "Amazing Music Machine" campaign, and has introduced a new print advertising and broadcast campaign under the theme "Music Lives on TDK."

The campaign is designed to position the Premium Series of MA metal bias, SA high bias, AD and D normal bias cassettes as well as the LX Professional Studio Series of open-reel tapes as an integral part of the consumer's everyday lifestyle, says TDK. While supporting the entire Premium Series, the campaign will provide additional support of the AD (Acoustic Dynamic) audio cassette, whose hot high end "makes it a natural for the growing autosound and portable consumer markets."

The "Music Lives On" TDK program broke in April issues of leading consumer magazines



Rex Teich and Jerry Kloppenburg, (L to R), principals of Koss ad agency, hold ad award.

Koss radio ad wins top honor

MILWAUKEE—The Milwaukee Advertising Club gave its two top prizes in an annual competition to Kloppenburg, Switzer & Teich, Inc. for its Koss Corp. radio commercial featuring Los Angeles radio comics Dick Orkin and Bert Berdis.

KS&T's "Serenity" spot, featuring a humorous dialog about stereophones, won first place for a 60-second radio commercial, and the Koss ad also received the James Boyce award for the best entry in the competition.

Target audience was the 18-24 year age bracket.

ITT slates national ads on Ultra 80

CLARK, N.J.—ITT Personal Communications is promoting the Ultra 80 telephone with a national print ad scheduled to run through September.

A full-page black-and-white ad depicts the one-piece electronic phone in the open and closed position and highlights some of its features, including Memory Redial, Tel-Pulse Dialing and the Ringer Shut-Off.

According to Lou Gervolino, vice president of marketing, the headline of the ad, "An open and shut case for owning your own phone" demonstrates "the unique action of the telephone" and "reassures the consumer that phone ownership is legal. Our ad copy reinforces the concept of owning versus renting and suggests that the most exciting phone to own is the Ultra 80."

The ad will appear in *Popular Science*, *Omni*, *Family Circle*, *Esquire*, *Southern Living* and *Metropolitan Home* through September. Some spot TV is also scheduled for the summer months.

ITT Personal Communications will soon announce an additional campaign for the Fall/Christmas season.

p r i n t

Aiwa theme: simplicity, technology

MOONACHIE, N.J.—Simplicity in use combined with high technology is the theme Aiwa is emphasizing in a stepped-up advertising campaign for its cassette decks and mini-components.

The ad budget calls for expenditures of "several hundred percent more than previous campaigns," says Tom Murtha of Holland Advertising, the Aiwa Agency. The ads will include some color for spot markets and will continue for the balance of the year.

"Space Technology" is the headline on a mini-component ad scheduled to appear in

Penthouse, *Psychology Today*, *Rolling Stone*, *Cosmopolitan*, *Opera News*, *Working Woman*, *Ms.*, and *Scientific American*.

The copy explains that the mini system has "technology so advanced, size is immaterial. Only efficiency counts. Instead of trying to impress you with oversized, overcomplicated components, the Aiwa M-501 Mini Component System leaves you with just one impression: awesome performance."

For insertion in *High Fidelity*, *Stereo Review*, and buff publications the two print campaign ads carry banners of "Simply overwhelming/Overwhelmingly simple" and "Simply incredible/Incredibly simple." The first explains how advanced microcomputer features of the Aiwa AD-M800 cassette deck make its operation extremely simple and accurate.



TDK cassettes give music a greater dimension, states new lifestyle advertising.

and on network television during the last week in March. The campaign is targeted to run through the fall of 1981, through the end of the pre-Christmas selling period.

A corporate campaign—"TDK; The Future in Sound And Pictures"—is designed to reinforce TDK's pivotal role in the developmental history of magnetic recording tape and its continuing role in future product areas. The four-color and black and white print campaign is currently running in United States and international business publications and will run throughout the year.

All four campaigns were designed and produced by the Phillip Stogel Company, New York.

Space technology

We're looking at the incredible Aiwa M-501 Mini Component System. An audio system whose technology is so advanced, size is immaterial. Only efficiency counts. Instead of trying to impress you with oversized, overcomplicated components, the Aiwa M-501 Mini Component System leaves you with just one impression: awesome performance.

And with Aiwa, technology doesn't quit with performance. It just begins. Nearly every function in the Aiwa M-501 Mini Component System can be activated by Aiwa's unique infrared remote control. It can also be programmed to turn on by itself, record by itself, even change up to 6 preset tuner channels by itself. Just about all you have to do, is buy it. The incredible Aiwa M-501 Mini Component System. It's that advanced. It's that simple.



Aiwa, in a print ad for its M-501 Mini-Component system, points out "technology is so advanced, size is immaterial. It leaves just one impression: awesome performance."



Paks picked as perfect partners

(Say it fast three times)

Dealers report booming sales of our newest combination: the Music to Go paks, with our LASER UHD/II money-making cassettes.

These popular, easy-to-handle cassette storage and travel paks come in a variety of stylish colors and will accommodate the LASER UHD/II cassettes.

You, as the dealer, can make more money by selling this high demand combination. Your customers will love it. They can use it in their cars—attached to visors or dashboards. They can wear it on belts while skating, biking, jogging, hiking, etc. It's easily attached to player/recorders or carried in totes or backpacks.

This cordura nylon music wallet with adhesive-backed velcro fasteners is stylish, handy, convenient and a top seller. Order your strap paks (with 3 cassettes) or car paks (with 6 cassettes) today and watch your sales go up, up, up.

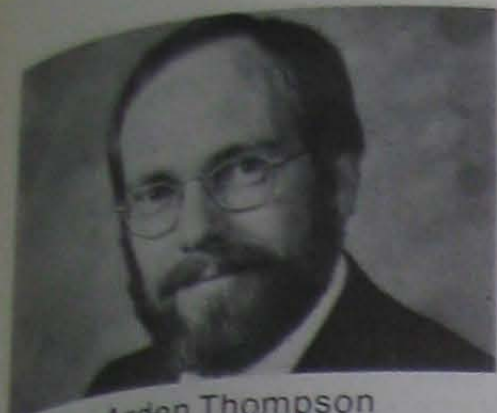
Co-op advertising funds available. Contact your local representative or SICO for details.

SICO

A Swire InterMagnetics Company
234 W. 146th Street, Gardena, CA 90248 (213) 515-0494

Circle No. 39 on product card

People



Arden Thompson



Fred Redden



Andy Pipon



Stewart Greenberg

JVC, Elmwood Park, N.J., announces that **Martin J. Homlish** has been named marketing and planning manager/Videodisc Division. Homlish, formerly national sales manager at United Audio, will be responsible for planning and coordinating sales of JVC's VHD/AHD videodisc system.

Koss Corp., Milwaukee, names **Paul V. Barragry**, formerly of Shure Brothers, to be catalog showroom manager. Barragry succeeds **Tom Wood**, who becomes Koss regional sales manager/north central Midwest.

Video Corp. of America, New York, selects **Arden Thompson** as general manager of its new Telelectronics Video Services/Western Division. "With the opening of the new West Coast operation," says **Thomas DeMaeyer**, executive vice president of Video Corporation of America, "Telelectronics becomes the only company with coast-to-coast videocassette duplication capability." Thompson has been with Telelectronics since 1977, most recently as vice president of engineering in the company's videotape duplicating facility in Des Plaines, Ill.

Magnetic Video announces the following appointments:

Seymour Horowitz, formerly vice president of programming for ABC Owned Television Stations Division, becomes vice president of programming at MVC. In his new position, he will be responsible for development of prerecorded videocassette and videodisc products.

Suresh (Ray) Seth, former vice president, controller, for Twentieth Century Fox's Telecommunications Division, is named to the new position of vice president, finance, at MVC.

William M. Mooney, previously director of finance at MVC, is promoted to the office of the vice president, controller.

Mattel Electronics, Hawthorne, Calif., names **William Gillis** vice president of marketing for video products. Gillis formerly was marketing manager for residential products at **Western Electric**. Prior to that, he was manager of marketing for Western Electric's business product line.

ABC Video Enterprises, New York, announces that **James T. Shaw** has been appointed vice president in charge of marketing. In his new

position, Shaw is responsible for the supervision of sales, advertising, promotion and merchandising activities for the various divisions of the company.

Shaw joined ABC as a salesman in 1963 and became vice president in charge of sales for the network in 1968. While he held that position, ABC became the world's largest advertising medium. He became vice president of ABC Television in 1978 and joined ABC Video Enterprises in 1980.

Magnavox, Knoxville, Tenn., announces that **Gerald S. Calabrese** has been named general manager of its New York office and that **Jeffrey Repka** has been appointed New York sales manager.

The company also announces that **Rayman E. Stanelle** has been appointed audio marketing manager in the Southeast and the Southwest.

Calabrese joined Magnavox in 1972, and Repka came to the company in 1976. Stanelle has spent the last 3½ years as Magnavox's regional manager in the Atlanta area.

Technidyne, Houston, Tex., appoints industry veteran **Fred Redden** to be national sales manager. Redden's experience in the electronics industry includes positions at Hy Gain, Rockwell, and GTE Sylvania. Most recently he was a principal owner of a manufacturer's representative firm in Ohio.

Ampex, Redwood City, Calif., names **Stanley W. Faught** to be general manager of its Magnetic Tape Division. Faught formerly was plant manager at Ampex's audio-video systems manufacturing facility in Colorado Springs, Colo. He has worked at Ampex for six years. Before that he spent 11 years at Honeywell.

North American Philips announces the election of **Robert T. Cavanagh** as senior vice president and **Albert A. Ruttner** as vice president. The announcement was made by **Pieter C. Vink**, chairman and chief executive officer.

Cavanagh formerly was vice president of corporate development and engineering. Ruttner's previous position was director of public relations. Both executives will continue to work in their areas of specialization but will also take on new managerial responsibilities.

Cavanagh joined the company in 1960 and became vice president of corporate development and engineering in 1973. Ruttner joined North American Philips in 1975 and was named director of public relations in 1977.

Berman-Graveley Co., Costa Mesa, Calif., a manufacturer's representative for audio, video, and other kinds of consumer and industrial electronics products, announces that **Andy Pipon** has been named a key account salesman in its Advanced Consumer Electronics Division. Pipon has more than 10 years of experience in consumer electronics, mainly in the toy industry.

The Electronic Industries Association's Consumer Electronics Group announces that **Thomas D. Mock**, formerly senior project engineer at Raytheon, has joined the EIA/CEG as staff engineer. At EIA, Mock will have responsibilities in the Consumer Electronics Group's new Personal Electronics Division, and will also work on special assignments.

Easterling Industries—the parent organization of Total Video Supply, The Video Store, VideoMed and Liberty USA—appoints **Richard A. Colt** executive vice president. Colt comes to Easterling from Bourns, Inc., Riverside, Calif., where he was vice president/corporate marketing and business development.

James B. Lansing Sound (JBL), Northridge, Calif., names **Stewart Greenberg**, formerly vice president of audio products at Yamaha, to be vice president of marketing and sales. Greenberg succeeds **Ed Hart**, JBL's former executive vice president of marketing, who left the speaker company to become president and chief executive officer at **Phase Linear**.

At Yamaha, Greenberg has been succeeded by **Jay Eagle**, formerly Yamaha's national sales manager. Eagle's new title is assistant division manager of audio.

Jerry Kalov, president of JBL, says that Greenberg will direct domestic and international sales and marketing efforts for the loudspeaker firm's home and professional lines. **Rudy Higashiyama**, president of Yamaha International, says that he deeply regrets Greenberg's departure but is confident that "the programs and policies that have enabled us to

build our outstanding dealer organization and achieve our present market position" will continue without interruption under Eagle's guidance, "with many exciting new developments forthcoming in the months ahead."

Greenberg has worked in the audio industry for 10 years. From 1971 to 1973, before joining Yamaha, he was product manager for Fisher Radio.

Eagle's background includes 12 years in audio retailing. Before joining Yamaha in 1977, he was vice president of Sound Studio Inc., a chain of audio specialty stores in Delaware and Maryland.

JBL also announces that **Jack Curran**, an eight-year veteran of the hi-fi industry, has been appointed district manager of its Southern California Audio Team. Curran, formerly a sales representative with CalWest Marketing South, has also held sales and sales management positions with Pacific Stereo and the Federated Group.

BSR Consumer Products Group, Blauvelt, N.Y., promotes **Carl Lindquist** to advertising manager.

Formerly manager of marketing services and communications, Lindquist reports to Vic Amador, president of the group. Lindquist is responsible for the coordination of all advertising, including sales promotion and collateral materials.

RCA, New York, names **Larry Estes** to be director of feature film programs for SelectaVision videodiscs. Estes, previously director of feature film marketing at Films Inc., will be responsible for the analysis and scheduling of major studio releases for RCA SelectaVision discs, as well as acquisition and scheduling of independent film programs.

CBS Video Enterprises, New York, names **Larry Stern** vice president of finance. Stern previously was vice president of finance for the company's Toy Division.

Zenith Data Systems, Glenview, Ill., adds two members to its marketing communications staff: **Alan G. Stewart**, sales training manager, and **Joy Anne Newton**, marketing communications specialist. Newton previously was market support specialist with Zenith Distributing Corp. of Illinois. Stewart comes to Zenith from Moore Business Forms, where he held sales and marketing positions.

KEF Electronics, Washington, D.C., announces the appointment of two new sales representatives for its high-fidelity loudspeakers: Lintern Associates, Warrenville, Ill., for Minnesota, North Dakota and South Dakota, and Robert E. Boyle Sales, Okemos, Mich., for Indiana and Kentucky.

Audio Electronic Systems, Inc. (AES), a subsidiary of United Speaker Systems, Inc., names Fahy Marketing Associates, Marleton, N.J., to represent its products in the Mid-Atlantic area, including southern New Jersey, eastern Pennsylvania, Maryland, and parts of Virginia. AES also appoints Willoughby-Fowler Co., Inc., Richardson, Tex., to represent its high-fidelity speakers in Texas, Oklahoma, Arkansas and Louisiana.

Tiger Electronic Toys Inc., Mundelein, Ill., announces the appointment of new sales representatives for the following territories:

Waldman Sales Corp., Jenkintown, Pa., for Delaware, Maryland, southern New Jersey, northern Virginia, and Pennsylvania; Phil Johnson Associates, Denver, for Nevada, Utah, Arizona, New Mexico, Colorado, Wyoming, Idaho, Montana, and El Paso, Texas; and Lee Sherman Associates, Los Angeles, for southern California.

Tiger also announced that the following sales representatives now are handling its new K-2-8 calculator:

Royal Sales, Burbank, Calif., in southern California; Manny Charach Associates, Southfield, Mich., in Michigan; Consolidated Sales Associates, New York, in Nassau and Suffolk Counties, northern New Jersey, and the metropolitan New York area; Fine Sales Corp., Hialeah, Fla., in Florida.

Flannigan and Associates, St. Louis, in Iowa, Nebraska, Kansas and Missouri; and Aaron Kranitz of Cleveland in Ohio.

Also named were: Lynch-Cohen Associates, Revere, Maine, in Massachusetts, Rhode Island, New Hampshire, Connecticut, Maine and Vermont; Top Sales Co., Charlotte, N.C., in Virginia, North and South Carolina, Tennessee and Georgia; S&P Sales, Dallas, in Texas, Oklahoma, Arkansas, Louisiana and Mississippi; and Key Marketing Co., Minnetonka, Minn., in Minnesota.

Sharp Electronics, Paramus, N.J., announces its audio and video products are now being represented in Oklahoma and parts of Texas by Trice Electronics, Oklahoma City.

Pentagon Industries, Chicago, announces that Encore Marketing, a

new sales rep firm, will represent its cassette tape duplicators in Illinois, Iowa, Michigan, Indiana, Minnesota, Wisconsin, Kansas, Kentucky, Missouri, Nebraska, and North and South Dakota. Encore Marketing is headed by Jim Dow, Pentagon's former vice president of marketing, and Joseph Hollenkamp, the company's former national sales manager. Tom Horton, president of Pentagon, says that his company fully supports the new rep venture. "This is a unique opportunity for Jim and Joe to establish their own business," he says. "We are pleased to be able to continue to work closely in their new venture."

BES (Bertagni Electroacoustic Systems), Costa Mesa, Calif., announces six new sales representatives for its high-fidelity loudspeakers:

Steve Rowson and Associates, Fayetteville, N.Y., for upstate New York; Don Flack Marketing, Northbrook, Ill., for northern Illinois, eastern Wisconsin and upper Michigan; Emerson & Hines Associates, Inc., Albuquerque, N.M., for Arizona, New Mexico, southern Nevada, and parts of Texas.

Spectra Sales Co., Chagrin Falls, Ohio, for Ohio, West Virginia and Pennsylvania; Ted Kelly Sales, Eden Prairie, Minn., for Minnesota, South Dakota and parts of

Wisconsin; and D.S. Wilson & Associates, Chevy Chase, Md., for Virginia; Washington, D.C.; Maryland; Delaware; eastern Pennsylvania, and southern New Jersey.

Activision, Santa Clara, Calif., announces the appointment of New West Marketing, Mountain View, Calif., as its sales representative in northern California and Hawaii. New West is a partnership recently formed by William Grubb, formerly vice president of sales and marketing at Atari, and Howard Kosofsky, an 11-year sales veteran in the toy and game industries.

Sampo Corp. of America, Elk Grove Village, Ill., names Berman-Gravley Co. Inc., Costa Mesa, Calif., as its new sales representative in Southern California. Dick Gravley and audio industry veteran Jack Berman are the principals of the rep firm.

Tecknit, Inc., Cranford, N.J., announces the appointments of three new sales representatives: McFadden Sales, Inc., Columbus, Ohio; Industrial Representatives, Inc., Chicago, and EIR, Inc., Altamonte Springs, Fla.

Bib, Richardson, Tex., appoints Tree & Associates, Elk Grove Village, Ind., for Wisconsin and northern Illinois.

DIRECTORY OF MANUFACTURERS' REPRESENTATIVES

MILITARY

The M.J. Daniel Company is a manufacturer's representative that sells exclusively to the military PX system and provides in-store service and demonstration worldwide through our own sales force in:

New York	Denver, CO	San Diego, CA
Washington, DC	Dayton, OH	San Francisco, CA
Pensacola, FL	Frankfurt, Germany (Europe)	Honolulu, HI (Pacific)
Los Angeles, CA	Norfolk, VA	Kansas City, MO
Tacoma, WA	Jacksonville, FL	Dallas, TX

The M. J. Daniel Company

3003 LBJ Fwy. • Dallas, TX 75234 • (214) 620-2222

MIDWEST

BEAR MARKETING INC.
Representing
Advanced
Consumer
Electronic and
Audio Companies
in Ohio, Western Pennsylvania,
and West Virginia.

Contact:
DAVID P. LOCKE
President
RON STETLER
Vice President
We Are Staying
at the HOLIDAY INN Lake Shore
3623 Brecksville Road / Richfield, Ohio 44286
(216) 659-3131

JOHN STEPHENSON
Account Executive
ART MARINELLI
Account Executive
TOM KUKLA
Account Executive

WEST COAST

BERMAN-GRAVLEY CO., INC.

350-B Fischer Avenue
Costa Mesa, CA 92626
(714) 549-2122

Sales Representatives
So. California, Arizona, & Nevada

Contact: Rick Hinthorne,
Vice-President
Advanced Consumer Electronics

**NEW WEST
MARKETING INC.**

Howard B. Kosofsky Bill Grubb
201 San Antonio Circle Suite 167
Mountain View, California 94040
(415) 941-5100

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Pros and cons of digital audio sound

Digital Audio. What does it mean and why should anyone be interested?

Basically it means a more accurate way of transmitting the recorded sound from the source (lets say orchestra) to the listener (you and me). It reproduces clearer sound with less distortion, no noise or hiss and no wow or flutter. You can hear the entire crash of the loudest cymbals, undistorted, and the expectant quiet of a concert hall between numbers without hiss.

However, digital is quite expensive and not very available...yet. Digital Audio differs from the normal analog or "bias" method of recording since it is a series of pulses instead of a steady signal of varying intensity. In some ways, there is a comparison to the early telegraph systems that preceded the telephone. It was probably no accident that telegraphy, the first widespread electronic method of communication, was also a series of pulses, dots and dashes. It was an easy way to accurately convey information without having to measure the intensity of a sometimes unreliable signal.

Today's digital audio systems use a series of 14 or 16 pulses (bits) in place of a telegraph dot or dash. Each of these series of 16 bits is called a "word." Compared to a telegraph, however, the system is extraordinarily fast, sending 40,000 or 50,000 "words" per second. It is this high transmission speed plus the reliability of pulses that make digital audio an advanced system.

To get the maximum advantage of digital audio, the original sound source is encoded into a series of pulses even before it is put onto the master recording. This master may be mixed, edited and duplicated



many times without any degradation of the sound. The pulses (digital words) are really a code for the final playback device to tell it exactly what sounds to reproduce. Anything not heard at the original source is not encoded and thus not reproduced. Wow and flutter, tape hiss, record scratch, pops or distortion, all have no code and simply are not reproduced. If the code is complex enough (14 or 16 bits) it can reproduce a much wider dynamic range than bias recording. This means both the loudest and the quietest sounds are distortion free and noise free.

There are a few problems that have limited an immediate jump to digital audio. One is the equipment problem. Since high data speed is necessary, only video tape players, certain multitrack, high speed audio tape players, and video disc players have the capability to handle this speed. The requirement to dedicate a video tape or video disc system to audio (with or without video) is a costly one and not an easy decision. In addition there is heavy investment required by the recording studios for digital encoding and processing equipment. Further, there must be a set of standards so that digital audio tapes and discs will be able to work on a wide range of playback machines manufactured by different companies.

It seems certain that the obvious advances in sound quality made possible by digital audio will push the technology into eventual consumer acceptance. However, the problems of cost and standardization are real and must be effectively addressed before widespread use is possible. It seems that the very highest technical sound quality must be the goal so the consumer will easily recognize the perceived value of a completely new system.—Jay Smith III

Jay Smith is founder and president of Smith Engineering, Santa Monica, Calif.

Survey predicts home electronic explosion

NEW YORK—Electronic video and computer units for home use, practically unheard of 10 years ago, have "plugged" into households throughout the United States and Canada, and are on the verge of a popularity explosion within this decade, according to a comprehensive survey recently conducted by Dresner, Morris & Tortorello Research, Inc. (DMT), and LINK, a subsidiary of International Data Corporation.

However, the survey also found that many Americans harbor a concern that the latest advances in electronic home products could intrude on their lives.

DMT, a New York-based research

firm specializing in conducting and interpreting survey results, prepared the survey in collaboration with LINK, a consulting firm in new electronic media and mass market information systems, for 10 clients: AT&T, Chemical Bank, General Electric, GTE, Time Inc., IBM, Dow Jones, Canadian Cable Systems, American Broadcasting Co. and Exxon Enterprises.

To develop this survey, DMT conducted focus groups, and telephone interviews with 1,003 adults drawn proportionately from different regions of the continental United States, plus 150 Canadian residents. The sample was divided into two groups: those who own or

lease at least one electronic video entertainment system (other than a TV set) or home computer, and those who own or lease none of these devices or systems. As expected, the first group was more likely to purchase new electronic video and computer units than the "inexperienced" group.

Trail Blazer

According to the survey, cable television, the trail blazer for this new generation of electronic home products, has become extremely popular. Of those interviewed who already subscribe to CATV or pay TV systems, nearly two-thirds (61 percent) expressed satisfaction with their service. Furthermore, more than a third (38 percent) of those who do not currently subscribe to cable TV said they are likely to do so in the future.

The DMT survey also found that a significant segment of the U.S. population will, within the next few years, purchase videocassette recorders (VCRs), video games such as "Atari" and "Odyssey" and, ultimately, home or personal computers. A lesser number expressed interest in the newer videodisc systems, introduced to the market in mid-1980.

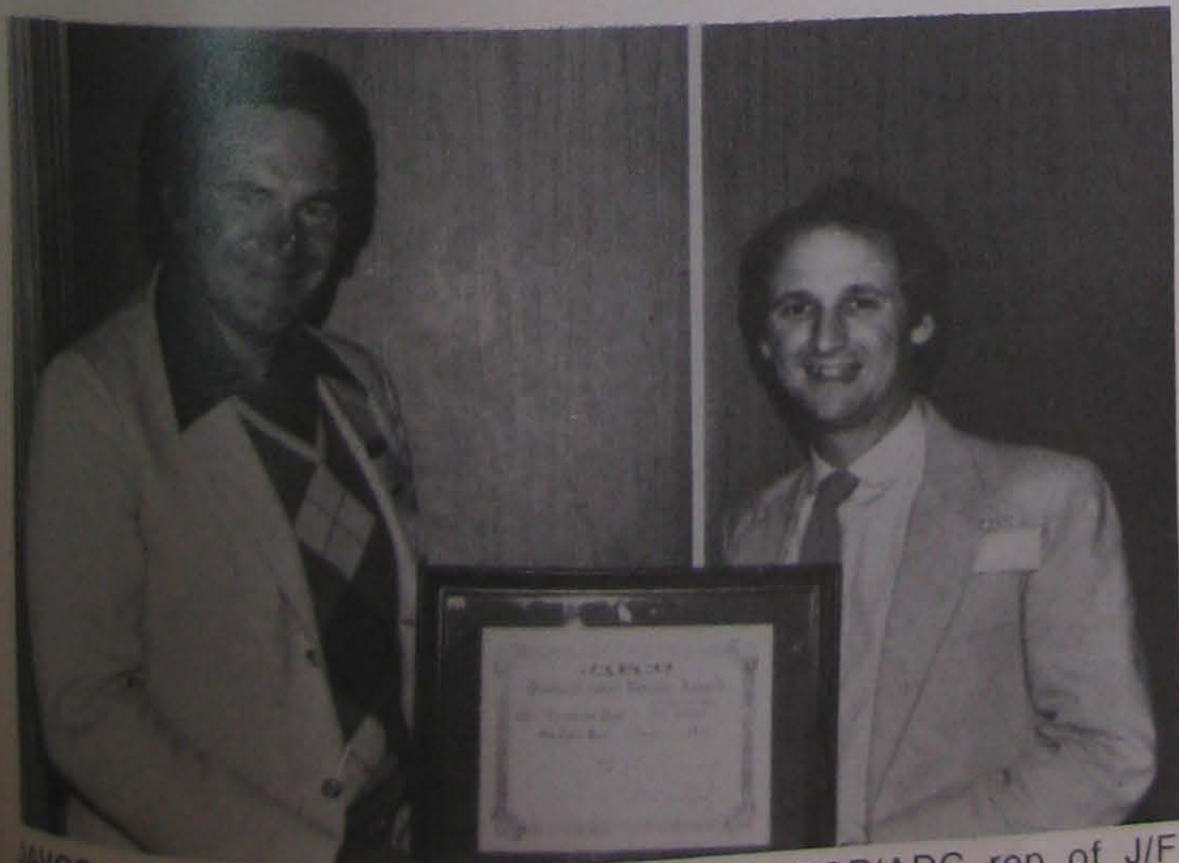
But the biggest electronic change Americans will see in their homes in this decade, DMT found, will be the development of systems which will allow people to select the information they want from a variety of data bases. This could be accomplished on their TV set or on a separate

computer terminal—in much the way that a travel agent or stock broker can "call up" various information for his clients. Such a home information system could be used for a variety of functions, e.g., comparison shopping, local news, consumer reports, up-to-date budgeting and tax information, educational information, medical and home health information.

Nearly half of the sample indicated a desire for information systems to be two-way, or interactive. This capability would allow them to use their home computers for such additional transactions as making airline and hotel reservations, voting in elections, preparing tax returns, taking courses, paying bills, turning appliances and security systems on and off, arranging bank loans, playing video games, participating in game shows at home, or sending messages to others who also have this system.

Respondents indicated some concerns about an interactive home system, particularly with regard to a fear of "Big Brother"—that one's privacy could be invaded.

DMT's and LINK's research analysts concluded that most people don't want the home electronic revolution to radically alter their lives, but to change only the means by which they collect information or perform certain tasks. The DMT-LINK report concludes: "Respondents indicate... that they wish the new system to be consistent with, rather than to replace, their present lifestyles."



JAVCO TAPS TOP REP: Jim Fjetland (left), BSR/ADC rep of J/F Marketing, Seattle, receives the Jafco Distinguished Vendor Award for 1980 from Mike Hackett (right) of Jafco, a 22-store chain.

Dot matrix display for games, graphs

HUDSON, Ohio—Crystaloid Electronics Co. now offers a versatile 32 by 32 dot matrix LCD and a 32-character alphanumeric display for use with terminals and microprocessors.

The company says that its low-power 32 by 32 dot matrix LCD can be used in a wide variety of applications, including handheld



Crystaloid's LCD display for terminals and microprocessors.

electronic games, and symbol and bar graph applications.

The 32-character display, the Alpha I, includes a programmable controller, a liquid crystal display, and display drive circuits. Characters are 0.22 inches high and each is displayed in a 5 by 7 dot matrix with a two-column space between characters. The controller will interface with any 8-bit microprocessor, the company says.

Crystaloid Electronics Display—
Circle No. 156 on product card

National Semi debuts stereo chip

SANTA CLARA, Calif.—A new integrated circuit that provides direct-current control of tone, volume and balance in stereo applications is now available from National Semiconductor.

The key feature of the LM1035 is that the tone, volume and balance controls can be physically located away from the rest of the circuitry, says the company. This is because AC signals are not routed to the front panel. DC control also eliminates the need for high-quality dual potentiometers.

The device operates over a supply voltage range of eight to 20 volts and, for digital control, can be driven by a microprocessor through a static digital-to-analog (D/A) converter.

Reportedly, the LM1035 is cost effective because all functions controlling stereo tone, volume and balance have been integrated onto a single chip, and only a minimum of additional external components are needed. With the LM1035, only a single capacitor is required per function. Previous designs required

two capacitors and two resistors per function, as well as two or more integrated circuits.

An important optional feature of the device is a loudness control which serves to compensate for perceived changes in frequency response at different signal levels. This "physiological volume control" is based on the Fletcher-Munson principle, reports the manufacturer.

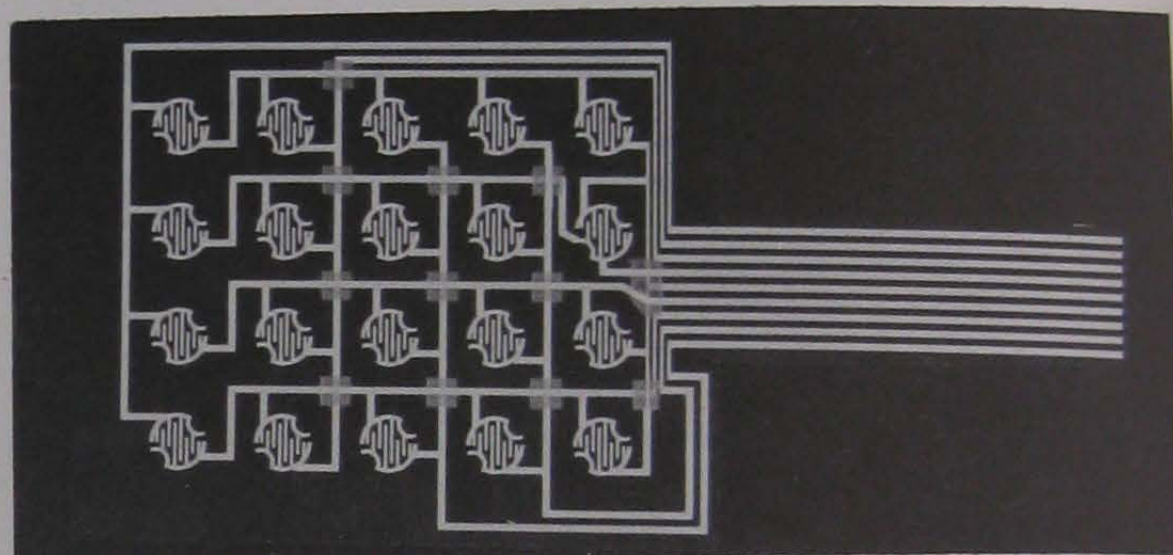
LM1035—Circle No. 159 on product card

Xymox unveils 20-position membrane keypad

MILWAUKEE—The Xymox Division of the W.H. Brady Co. has added a 20-position keypad with 3/4-inch centers to its line of stock membrane switch pads.

The keypad has a key size of 5/8 inches by 5/8 inches with an active actuation area of 1/2 inches diameter. The circuit configuration is a 5-by-4 X-times-Y matrix. There are provisions for a 1/8-inch diameter LED window in the upper left-hand corner of each key. Custom second surface printed graphic faceplates (printed on the underside of shiny, textured or matte films) may be ordered.

The Xymox Division of the W.H. Brady Co. reportedly offers the world's largest selection of stock



Xymox Division's 20-position keypad.

membrane switches, with 1-key to 58-key formats, stock faceplates and accessories. All are available through worldwide distribution,

says the manufacturer.

Keypads—Circle No. 169 on product card

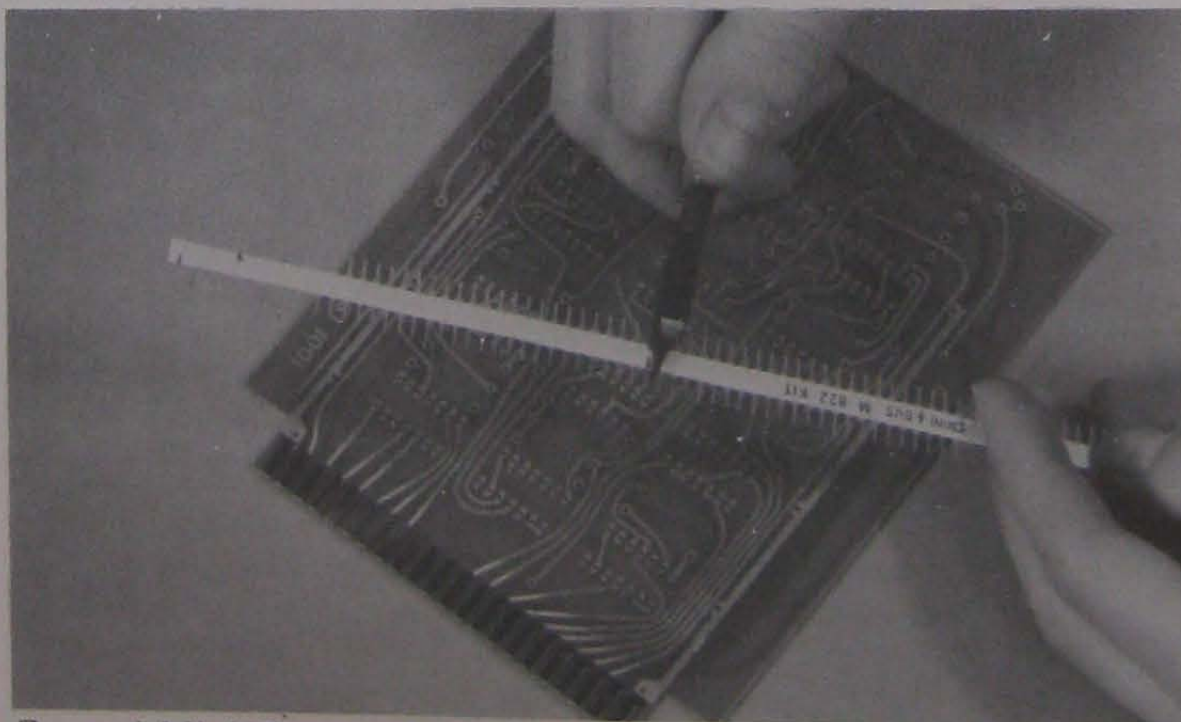
Mini/Bus prototype kit offered by Rogers

ROGERS, Conn.—A new Mini/Bus printed circuit board bus bar "prototype kit" is now available from Rogers Corporation.

The new kit is packaged specifically for designers who are building prototypes and want to use off-board bussing techniques and readily available off-the-shelf components, especially in large personal computer memory units and video display units.

The kits feature six standard configurations of the Mini/Bus 830 series—a new series of low-profile bus bars with 12-mil-thick conductors and more rugged pins for reduced pin breakage. These components reportedly offer several advantages over the standard 10-mil-thick conductor printed circuit board bus bars, including a better fit into board configurations. Configurations include vertical and horizontal mounted printed circuit board bus bars.

Another Rogers product, PORON microcellular urethane, provides the compressive force to make pressure connections to the glass plates of LCDs.



Rogers' Mini/Bus printed circuit board bus bar.

PORON is currently used in Milton Bradley's Microvision game, reportedly "because of its low compression set and good energy absorption characteristics." Microvision is played on an LCD approximately 1.6 inches square. A piece of PORON, 1/16th inch thick, with a 15-lb. density, supports the LCD. The material forces the LCD up against a small flexible circuit

tab, making the signal connection. The material also provides a shock-absorbing function important to protecting the LCD. A second piece of the material is used in the Microvision toy as a keyboard cushion.

Prototype kit—Circle No. 160 on product card
PORON—Circle No. 161

Touch pad boasts long service life

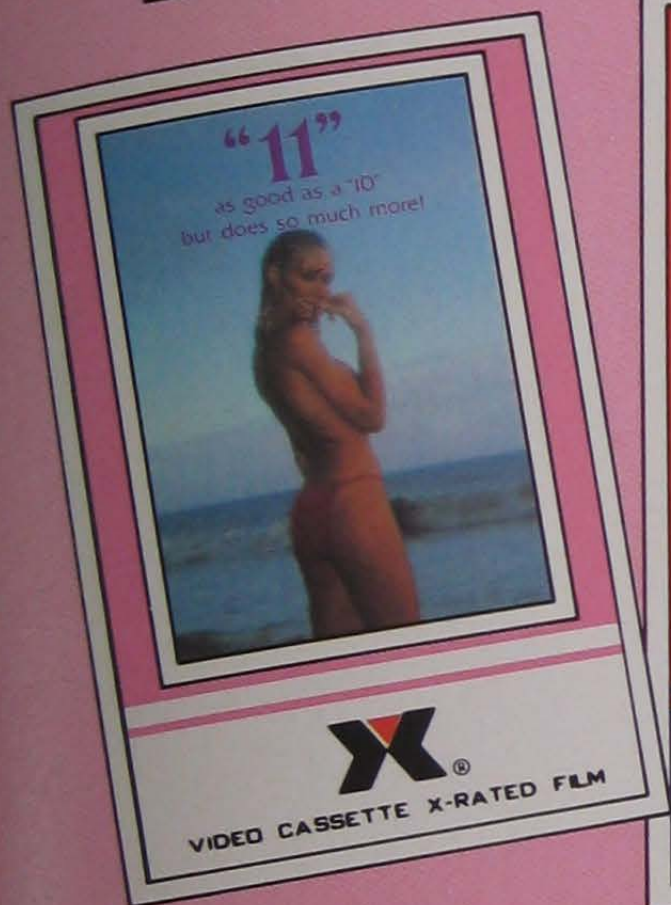
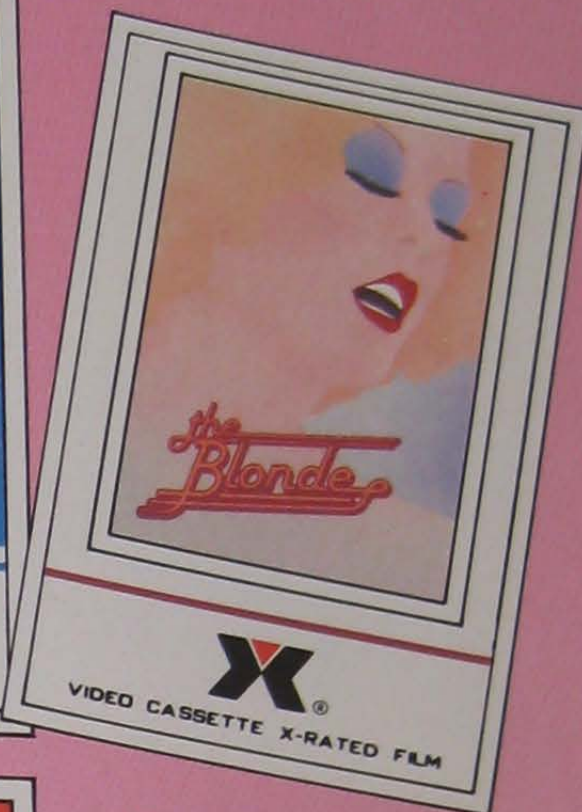
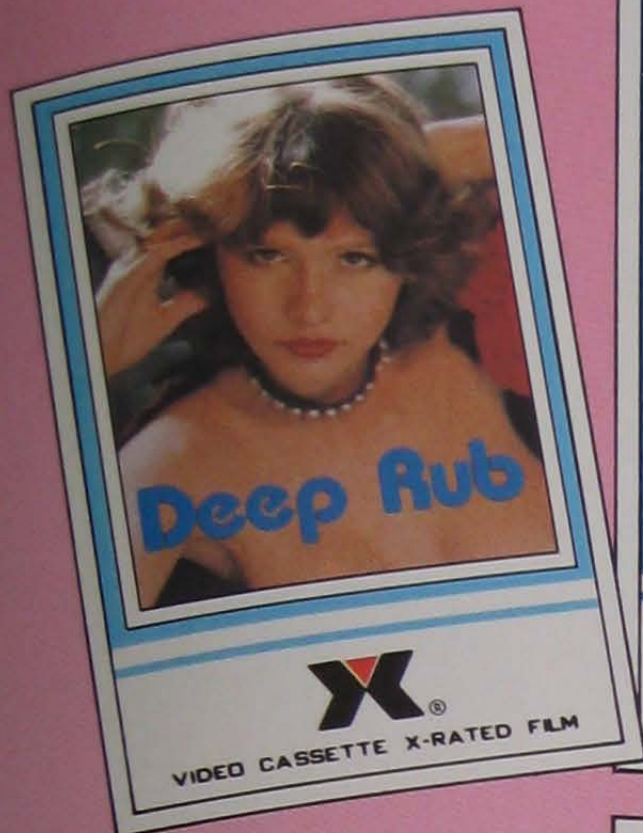
HUNTSVILLE, Ala.—A new telephone touch pad that uses conductive silicone rubber contacts in a dome-shaped configuration offering long service life which also tolerates wide extremes of temperature and relative humidity is available from Hutco, Inc.

Typical contact resistance for the TT Dial, Model 220, is 7 to 8 ohms. Specifications guarantee a maximum contact resistance of 20 ohms. The dome-shaped rubber contact gives the user a definite make-and-break "feel" when operating the keys.

The new pad is available in standard U.S. telephone configuration, or in the user's choice of keytop legends and colors. It provides BC signals for telephone dialing and for many other control applications where finger touch input is desired.

Price is \$4.65 each in quantities of 1,000, dropping to around \$3 each in quantities of 100,000 units.

TT Dial—Circle No. 184 on product card



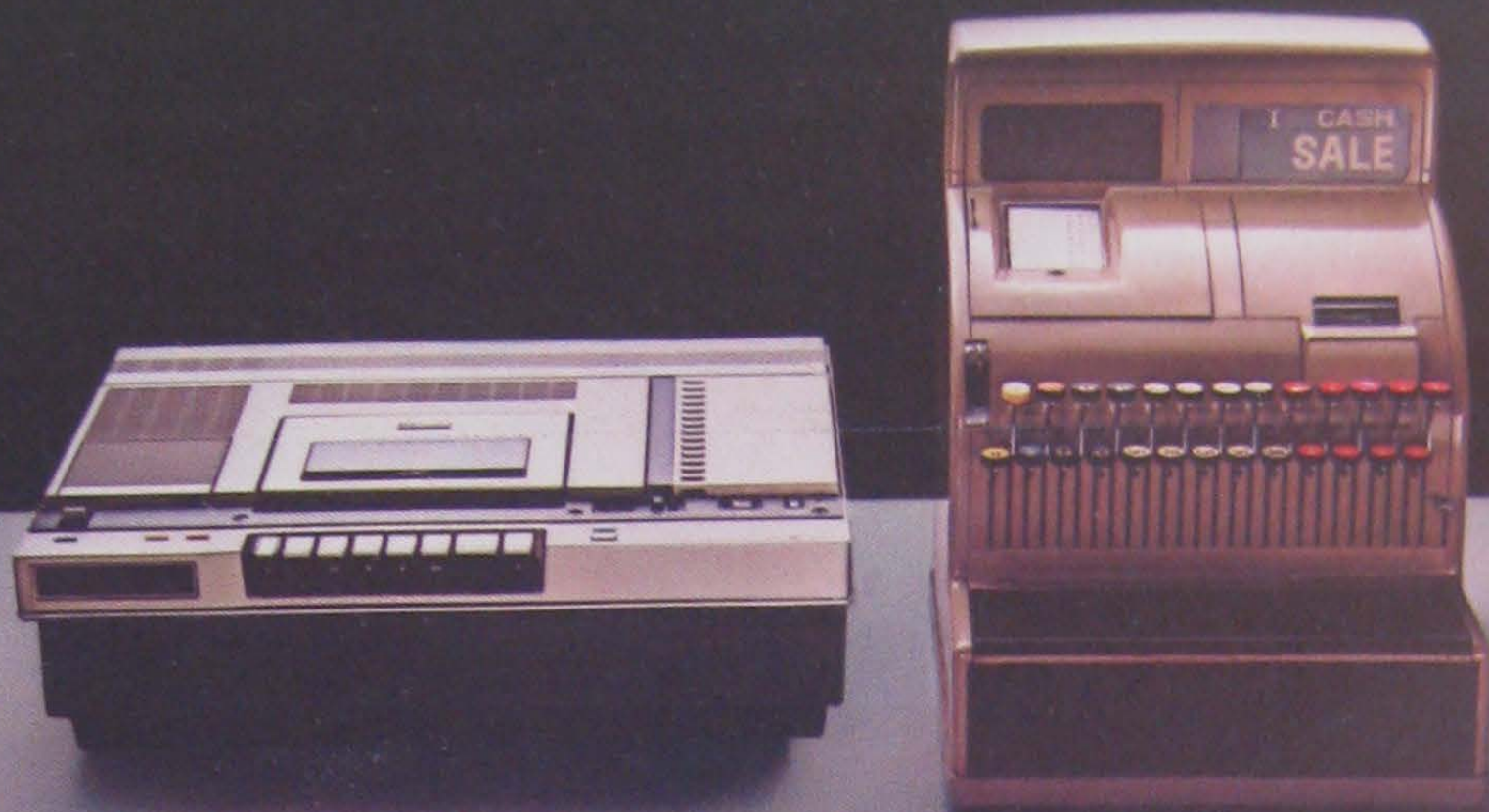
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